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# ***Daily Report***

## **China**

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# Daily Report China

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7 September 1988

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## United States & Canada

### Further Reportage on Carlucci Official Visit

#### Talks With Qin Jiwei

HK0609134688 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1055 GMT 6 Sep 88

[Report by Li Wei (2621 0251): "PRC Defense Minister and U.S. Defense Secretary Hold Talks in Beijing"]

[Text] Beijing, 6 Sep (ZHONGGUO XINWEN SHE)—The Chinese defense minister and the U.S. secretary of defense held talks here this morning. Lasting 1 and 1/2 hours, the talks were 1 hour longer than originally scheduled. The two sides exchanged views on international and regional issues of common concern and on bilateral relations.

Chinese sources have said that the talks were conducted in an "earnest, frank, and friendly [ren zhen tan shuai you hao 6126 4176 0982 3764 0645 1170]" manner.

With regard to regional issues, the two defense ministers mainly discussed the issues concerning Cambodia and the Korean Peninsula.

U.S. Defense Secretary Carlucci held that as far as the Cambodian issue is concerned, the United States and China have a common goal, namely, to force Vietnam to withdraw its troops from Cambodia so that the Cambodian people can resolve the Cambodian issue on their own.

He said: The United States favors direct negotiations between the Cambodian side headed by Samdech Sihanouk on the one hand and Vietnam on the other. If Vietnam withdrew its troops from Cambodia, the United States would not want to see a seizure of power by the Khmer Rouge and restoration of Pol Pot's policy, because "that would be unfortunate." The United States is looking forward to a coalition government which will involve the Cambodian Democratic Resistance Movement and the Khmer Liberation Front, and it will never tolerate the continued existence of a puppet regime left by Vietnam.

Chinese Defense Minister Qin Jiwei reiterated the Chinese Government's principled stand on the Cambodian issue. He pointed out: During the recent unofficial Jakarta meeting, Vietnam once again put forward the principle that the withdrawal of the Vietnamese troops must be linked to the effort of preventing Pol Pot from seizing power. This is the Vietnamese conspiracy. Of completely different natures, the two questions must not be mentioned in the same breath and, therefore, as far as they are concerned, one must not put the cart before the horse.

With regard to the issue concerning the Korean peninsula, both sides said they would do their best to relax the tension so as to maintain stability there.

Both Qin Jiwei and Carlucci appreciated some recent inspiring changes in the international situation, and said they would make further efforts to safeguard world peace.

They were satisfied with the development of relations between China and the United States and between the Chinese and U.S. armies, and they expressed the hope of continuing to maintain and develop ties between the two armies based on the principle of equality and mutual benefit.

Qin Jiwei told Carlucci that China is politically stable and making steady economic development at present. The general situation is good, and this fully proves the correctness of China's reform and opening up policy. The Chinese Army is also building and reforming itself against this overall background.

He said: The task of the Chinese Army is to build a modern, regular revolutionary army with Chinese characteristics. The Army has made certain major achievements in this respect. The formation and structure of the Army have changed greatly, and this has strengthened the collective efforts of the Army and the independent combat effectiveness of Army units.

Qin Jiwei expressed his deep belief that the Chinese Army's reform will certainly achieve more satisfactory results as long as it follows the Central Military Commission's reform principle of, first, being bold and resolved and, second, being careful and prudent.

On the Chinese side, officials participating in the talks included Deputy Chief-of-General Staff Xu Xin, Navy Commander Zhang Lianzhong, Air Force Commander Wang Hai, and Political Commissar Wu Shaozu of the National Defense Science and Industry Commission. On the U.S. side, Ambassador Lord and Assistant Secretary of Defense Armitage attended the talks.

Before the talks, Qin Jiwei and Xu Xin answered some questions raised by American reporters when waiting for Carlucci.

As for China's sales of weapons, Qin Jiwei said: Many countries in the world sell weapons, and the United States and the Soviet Union are the largest arms sellers. China only sells a very small quantity of weapons, and China's arms sales are slight and negligible.

Xu Xin stressed: China adheres to certain principles and cherishes a prudent attitude when selling weapons to other countries. First, the buyer must buy the weapons for defensive purposes. Second, the arms deals must be favorable to regional stability and peace and must not serve a war. Third, China never interferes in the internal affairs of other countries.

**Discusses Cambodia With Qin Jiwei**  
HK0709042188 Hong Kong TA KUNG PAO  
in Chinese 7 Sep 88 p 2

["Political Talk" by Shih Chun-yu (2457 0689 3768):  
"Chinese Defense Minister and U.S. Secretary of  
Defense Discuss the Cambodian and Other Issues"]

[Text] U.S. Secretary of Defense Frank Carlucci and  
Chinese Defense Minister Qin Jiwei held talks for more  
than 3 hours in Beijing yesterday in an "earnest, frank,  
and friendly" atmosphere.

He is the second U.S. secretary of defense to visit China.  
The first secretary of defense to have visited China was  
Caspar Weinberger, who visited China on two occasions  
in 1983 and 1986. The main subjects discussed at the  
current talks between the two defense ministers are  
Cambodia and the Korean peninsula. This is indeed an  
opportune moment.

From 28 August to 1 September the Chinese and Soviet  
vice foreign ministers discussed the Cambodian issue in  
Beijing. There was progress in the talks but there were  
still differences of opinion on some major issues. At a  
news conference in Moscow on 5 September, Gennadiy  
Gerasimov of the Information Department of the Soviet  
Foreign Ministry disclosed: In an effort to resolve the  
Cambodian issue, both the Soviet Union and China have  
agreed to make joint efforts to overcome some contra-  
dictions and, to this end, the possibility of holding  
another round of talks at the vice foreign minister level  
fully exists. It is also likely that the foreign ministers of  
the two countries will make contact at the United  
Nations in the last 10 days of this month.

This shows that there are optimistic prospects for the  
eventual solution of the Cambodian issue. Carlucci's  
current visit to China coincides with Sino-Soviet talks on  
the Cambodian situation. Carlucci holds that the United  
States and China have a "common objective" on the  
Cambodian issue, namely, forcing Vietnam to withdraw  
its troops from Cambodia and achieving the independent  
solution of the Cambodian issue by the Cambodian  
people themselves.

But the two countries also have differences of opinion. The  
United States holds that, after Vietnam withdraws its  
troops, the Khmer Rouge should not be allowed to wield  
power. The United States supports a coalition government  
by the Sihanouk faction and the Son Sann faction and  
rejects the Pol Pot faction and the Heng Samrin puppet  
faction. China holds, however, that we should not walk  
into Hanoi's evil trap, namely, Vietnam's insistence on  
disbanding the armed forces of the Khmer Rouge to  
"prevent Pol Pot from seizing power alone" is actually an  
attempt to let the Heng Samrin puppet faction rule the  
whole of Cambodia. If that is the case, the achievements of  
the struggle against Vietnamese aggression waged by Dem-  
ocratic Kampuchea in the past 10 years will be forfeited.  
China maintains that all the armed forces of Cambodia's

four factions should be disbanded; that Vietnam withdraw  
its troops under international supervision; and that dem-  
ocratic elections should be held after Vietnamese troop  
withdrawal so as to set up a democratic, independent, and  
neutral Cambodia.

The purpose of Carlucci's visit to China is to coordinate  
the views and positions of the two countries on the  
Cambodian situation to serve as a basis for the next  
round of Sino-Soviet talks on the Cambodian situation.  
We can thus see that the world's situation is as delicate as  
a chess game.

The Olympic Games are to be held in Seoul in 10 days'  
time. North Korea has decided not to participate but it  
has also stated that it will not obstruct the games. Seoul  
and the countries concerned are heightening their vigi-  
lance against any possible sabotage or trouble carried out  
by radical international terrorist forces. There is indeed  
such a danger.

It should not be denied that the long-term practice of the  
United States, Japan, and South Korea to isolate North  
Korea has made Pyongyang, which is sensitive and  
nervous, consistently suspicious and mistrustful of the  
United States and South Korea. The Seoul Olympics is a  
grand international gathering for South Korea to flaunt  
its "strength." Whether the South and the North will  
make contact again and have economic exchange after  
the Olympic Games, especially whether North Korea  
will establish political and economic links with Japan  
and the United States, will have an important bearing on  
the safety and danger of the situation in the Korean  
peninsula. China can play a certain neutralizing role in  
this respect.

What merits attention is that China has on this occasion  
stated its three-point position on the sales of weapons.  
The United States has consistently censured China for  
selling arms to Iran, Saudi Arabia, and the Middle East  
region. In fact, the quantity of China's arms sales is so  
insignificant that it does not merit attention. The three-  
point position will enable the international community  
to understand China's view on arms sales and is quite  
necessary.

**Feted by Qin Jiwei**

OW0609153488 Beijing XINHUA in English  
1455 GMT 6 Sep 88

[Text] Beijing, September 6 (XINHUA)—Chinese State  
Councillor Qin Jiwei said today that China sincerely  
hopes that the relations between China and the United  
States and their military forces will enjoy continued  
development.

Qin Jiwei, who is also Chinese minister of national  
defense, made the remark at a banquet he hosted in  
honor of visiting U.S. Secretary of Defense Frank Car-  
lucci, his wife and entourage at the Great Hall of the  
People here tonight.

Despite ups and downs since the normalization of Sino-U.S. Relations 10 years ago, the relations between the two countries and their armed forces have witnessed satisfactory growth thanks to the efforts made by both sides, Qin said.

Facts showed that a normal and good relationship between the two countries is not only in conformity with the fundamental interests of the two peoples, but also conducive to peace and stability in Asia and the world as a whole, he added.

Qin expressed the belief that China and the United States will see healthier growth of bilateral relations in the second decade since normalization, so long as the two sides strictly adhere to the principles confirmed in the Sino-U.S. Communiqués signed in the past, strengthen mutual trust, and keep developing the positive factors while overcoming the negative ones.

Carlucci agreed that military relations between the United States and China have continued to expand in the past two years, adding that his present visit will provide an opportunity for further mutual understanding, friendship and cooperation.

"This spirit and the frank dialogue that characterizes our meetings will guarantee the further growth and development of our relationship," he added.

Carlucci expressed the belief that the series of exchanges instituted during the Reagan administration will continue, regardless of the outcome of the U.S. Presidential election in November, this year.

The U.S.-China relationship is "firmly based upon a bedrock of bipartisan support which is strong enough to ensure its continued growth," the U.S. defense minister asserted.

Carlucci disclosed that there will be more high-level exchanges of visits in the coming months, adding that these personal contacts will support and complement military technology cooperation between the armed forces of the two countries.

#### Beijing Radio Report

OW0709105488 *Beijing in English to North America*  
0300 GMT 7 Aug 88

[Text] U.S. Defense Secretary Frank Carlucci has begun his official visit in China. On Tuesday, he met with Chinese Defense Minister Qin Jiwei for formal talks on improving bilateral ties in the military field. Our reporter Xue Qiao was there.

[Music played by Chinese military band in the background for several seconds, then fades for reporter's report] That's a march played by the military band of the People's Liberation Army as part of the official welcoming ceremony for the U.S. Defense Secretary Frank

Carlucci. [Words indistinct] before their formal talks, Chinese Defense Minister Qin Jiwei told reporters that Sino-U.S. relations in the military field are developing well despite some differences. As for American concern over China's arms export, Qin Jiwei says the United States and the Soviet Union are the largest arms exporters in the world's munitions market. [apparent voice of Qin Jiwei speaking in Mandarin for a few seconds, then reporter continues in English] He said: China is a developing country. The small amount of arms sales abroad is insignificant and doesn't merit serious attention. He predicts that China's arms exports will remain quite limited, considering its industrial capabilities.

Deputy Armed Forces Chief of Staff Xu Xin added that China has sold arms to countries only for defense purposes. China is very careful to ensure that the arms it exports are used for stability and peace rather than war.

The formal talks lasted for three hours, one hour more than originally planned.

Chinese Defense Ministry spokesman He Wenzhong described the talks as earnest, frank, and friendly. [apparent voice of He Wenzhong speaking in Mandarin for a few seconds, then reporter continues in English] He said both sides expressed satisfaction with the smooth development of Sino-U.S. relations, especially in the military field. Both sides also expressed their commitment to maintaining peace in the world.

On the question of Kampuchea, the Chinese side reaffirmed its view that the key lies in the withdrawal of Vietnamese troops from Kampuchea. China does not believe, as Vietnam does, that the withdrawal must be linked with the question of preventing the Khmer Rouge from coming to power again.

The spokesman said China proposes a four-party coalition headed by Prince Norodom Sihanouk.

The Chinese spokesman also said the Americans think that both China and the United States share common goals on the question of Kampuchea, namely that the Vietnamese troops should withdraw and the Kampuchean people be allowed to decide their own affairs.

There were no comments from the American delegation after the talks.

Frank Carlucci went on to meet with Chinese Premier Li Peng, and on Wednesday morning is scheduled to have talks with senior leader Deng Xiaoping.

For Radio Beijing, I am Xue Qiao.



### Confers With Li Peng

HK0709085488 Beijing RENMIN RIBAO in Chinese  
7 Sep 88 p 1

[Dispatch by Reporter Sun Yi (1327 3015) from Beijing on 6 September: "Li Peng Meets Carlucci, Says China Is Deepening Its Reform Without Changing the Goal"]

[Text] State Council Premier Li Peng said: Recently, some foreign journalists have said that regression has appeared in China's reforms. This does not tally with the facts. We are making advances, and our goal will not change. China's reforms are advancing in depth.

Li Peng made this statement this afternoon when meeting Carlucci, U.S. secretary of defense, who is making an official visit to our country.

Premier Li Peng said: In the course of reform and opening up, foreign enterprises, including those in the United States, are welcome to make investments in China, and they are welcome to run enterprises solely owned by themselves. China will create a better investment environment by continuously improving the supply of energy, the transport and communications conditions, and work efficiency and management.

Secretary Carlucci said that China is attractive to foreign investors, and he expressed the belief that American investors are willing to invest in China. The host and the guest also exchanged opinions on issues of common interest. State Councillor and Defense Minister Qin Jiwei attended the meeting.

### Meets Deng Xiaoping

OW0709043588 Tokyo KYODO in English  
0418 GMT 7 Sep 88

[Text] Beijing, Sept 7 KYODO—Senior leader Deng Xiaoping said Wednesday he hopes U.S. Vice President George Bush wins the presidential election in November.

Deng made the remarks in a meeting with visiting U.S. Defense Secretary Frank Carlucci at the Great Hall of the People.

Deng described Bush, who was U.S. ambassador to Beijing from October 1974 to November 1975, and President Ronald Reagan as "old friends."

"I know both Reagan and Bush well and we are old friends. I hope Bush wins the election," Deng said.

Deng spoke of his preferred candidate for the U.S. presidential election after Carlucci told him that Reagan and Bush had sent greetings to the top Chinese leader.

### Conveys Reagan Regards

OW0709060388 Beijing XINHUA in English  
0544 GMT 7 Sep 88

["Flash: Deng Xiaoping Meets U.S. Defense Secretary Carlucci"—XINHUA headline]

[Text] Beijing, September 7 (XINHUA)—Deng Xiaoping, chairman of China's Central Military Commission, met with U.S. Defense Secretary Frank Carlucci at the Great Hall of the People here this morning.

Deng extended a warm welcome to Carlucci on his current China visit.

Carlucci said he had very good talks with Chinese Minister of National Defense Qin Jiwei yesterday. He conveyed regards to Deng from U.S. President Ronald Reagan, Vice-President George Bush and Secretary of State George Shultz.

Deng also asked Carlucci to convey his regards to these three old friends."

### More on Meeting With Deng

OW0709115088 Beijing XINHUA Domestic Service  
in Chinese 0731 GMT 7 Sep 88

[Text] Beijing, 7 Sep (XINHUA)—During a meeting with U.S. Secretary of Defense Frank Carlucci at the Great Hall of the People this morning, Deng Xiaoping, chairman of the Central Military Commission, said he is pleased with the relatively steady development [fa zhan bi jiao ping wen 4099 1455 3024 6525 1627 4489] of Sino-U.S. relations in recent years.

Deng Xiaoping noted that it is the common aspirations of the Chinese and American peoples that the two countries will continue to develop their friendly relations in the spirit of the three Sino-U.S. communiques.

Carlucci told Deng Xiaoping that he had very good talks with Chinese Defense Minister Qin Jiwei yesterday. He said: U.S.-Chinese military ties are based on a solid footing, which he said is an important part of bilateral relations. He indicated that the United States will continue to make efforts to develop relations with China in accordance with the principles in the three communiques.

Deng Xiaoping said that Carlucci's visit is conducive to the development of the friendly relations between the two countries and their armed forces. He told Carlucci: "You can see that China is a trustworthy and responsible country."

Deng Xiaoping expressed welcome to the trend toward a relaxation of tension in the world. He stressed: China opposes the pursuit of hegemony [zhong guo fan dui mou



qiu ba quan 0022 0948 0646 1417 6180 3061 7218 2938]. Events in the past few years proved that all those seeking hegemony have ended in failure or are going to fail.

Deng Xiaoping continued: "China has been concentrating its efforts on modernization and is wholeheartedly dedicated to safeguarding world peace. This is the starting point from which we raise and solve problems." He also briefed the visitors on China's ongoing reform and economic development.

Calling Deng Xiaoping "one of the greatest leaders and strategic thinkers" in the world today, Carlucci conveyed to Deng the warm regards of President Reagan, Vice President Bush, and Secretary of State Shultz. Deng Xiaoping also asked Carlucci to convey his best wishes to the three old American friends.

Present at the meeting were Qin Jiwei, state councillor and minister of defense; U.S. Ambassador to China Lord, and principal members of Carlucci's entourage.

At Carlucci's request, Zhang Aiping, member of the Standing Committee of the Advisory Commission of the CPC Central Committee and former minister of defense, met with Carlucci this afternoon. Both the host and the guest had very friendly talks.

During breakfast this morning, Vice Foreign Affairs Minister Zhu Qizhen and Carlucci exchanged views on Sino-U.S. relations and some international issues.

#### **Deng Decries Hegemonism**

OW0709084188 Beijing XINHUA in English  
0816 GMT 7 Sep 88

[Text] Beijing, September 7 (XINHUA)—China's senior statesman Deng Xiaoping met here today with U.S. Defense Secretary Frank Carlucci.

In their hour-long meeting Deng expressed satisfaction with what he described as the "steady development" of Sino-U.S. relations in recent years.

He urged the two sides to act on the spirit of the three communiques—the Shanghai Communique on former U.S. President Nixon's historic visit to China in 1972, the communique on establishing diplomatic relations between China and U.S. in 1978 and another one on restricting U.S. arms sales to Taiwan in 1982—and work to further the bilateral relations.

Carlucci referred to his talks with his Chinese counterpart Qin Jiwei yesterday and said they showed that the U.S.-China military ties are based on a solid footing. He said that the United States will make efforts to develop relations with China in accordance with the three communiques.

Deng, who is chairman of the Chinese Central Military Commission, said Carlucci's visit augurs well for the promotion of friendly relations between the two armed forces and countries.

"Here you can see with your own eyes that China is a trustworthy and responsible country," Deng told Carlucci who is making his first trip to China.

Deng, dwelling on the international situation, said he welcomed the trend toward a relaxation of tensions in the world. He reiterated China's opposition to hegemonism.

"In the past few years we have seen that those seeking hegemonism have ended in failure or are going to fail," Deng said.

He said China is pledged to modernization and world peace. "That is the starting point from which we raise and solve problems."

He briefed the visitors on China's ongoing reform and economic development.

Carlucci called Deng one of the greatest leaders and strategic thinkers alive and conveyed best regards from U.S. President Ronald Reagan, Vice President George H. Bush and State Secretary George Shultz.

Deng also asked Carlucci to convey his regards to the three American leaders he described as "old friends".

Qin Jiwei and U.S. Ambassador to China Winston Lord also attended the meeting.

At noon Carlucci met with former minister of national defense Zhang Aiping, now member of the Standing Committee of the Central Advisory Commission of the Chinese Communist Party.

Earlier Chinese Vice-Minister of Foreign Affairs Zhu Qizhen and Carlucci held talks over breakfast.

#### **Accepts Pledge on Missile Sales**

HK0709114088 Hong Kong AFP in English  
1135 GMT 7 Sep 88

[Text] Beijing, Sept 7 (AFP)—U.S. Defence Secretary Frank Carlucci, signalling a major change in Washington's policy towards Beijing, said Wednesday he was satisfied that China would act responsibly when it sells missiles abroad.

"I am satisfied that with regards to missiles, the Chinese will behave in a thoroughly responsible way," Mr Carlucci told reporters after two days of high-level meetings with Chinese leaders. "I think we are now at a point where we can hopefully put this issue behind us," he said.

Until now, Washington has expressed deep concern about the deployment of Silkworm anti-ship missiles in Iran and medium-range missiles in Saudi Arabia which can carry nuclear warheads as far as Israel.

It also warned in July that China might be marketing missiles to Syria and Libya, posing a major potential threat to peace in the Middle East.

The NEW CHINA NEWS AGENCY, reporting on closed-door talks Wednesday between Mr Carlucci and Deng Xiaoping, quoted the senior leader as saying China could be trusted. "You can see with your own eyes that China is a trustworthy and responsible country," Mr Deng was quoted as saying.

Mr Carlucci, making his first-ever visit to China, said he accepted Beijing's three-point policy on arms sales—never to sell nuclear weapons, never to interfere in the internal politics of countries buying Chinese weapons and always to make sales which contribute to peace and stability.

The defence secretary said he supported the United States giving companies the right to export commercial satellites to China to launch aboard Long March missiles. The idea has been endorsed by the State Department, but opposed by the Transportation Department which says China represents fresh competition to a U.S. space industry recovering from the 1986 space shuttle disaster.

"I indicated that from my perspective, I did not see this as a national security issue," Mr Carlucci said. "They have given us all the assurances that we need on safeguarding the technology. It is essentially not a technology transfer issue. It is a trade issue."

President Ronald Reagan is to rule on the issue later this month.

Mr Carlucci, who arrived here Monday, travels Thursday to Xian, home of China's aerospace industry, then to Shanghai where he is to sail on a modern Chinese warship.

**Journal Evaluates Carlucci's Accomplishments**  
*IK0709075188 Beijing SHIJIE ZHISHI in Chinese*  
*No 16, 16 Aug 88, pp 23-24*

[Article by Dong Jianping (5516 1696 1627): "Taming the Pentagon—Carlucci Squeezes National Defense Spending"]

[Text] Carlucci, who replaced Weinberger as secretary of defense, may be regarded as a rising star in the outgoing Reagan administration. As the days of the Reagan administration are numbered, people generally thought that the 57-year-old new secretary of defense would not accomplish anything significant. When Reagan became the master of the White House 7 years ago, the Pentagon

was full of financial resources, and military spending was as high as \$2,200 billion. Now, however, as Congress tightened the budget, the Department of Defense is also forced to practice retrenchment. Carlucci stepped into the Pentagon against such a dim background. No wonder he said when he took office: "All this indicates no smooth path ahead." However, his vigor and patience that enabled him to frustrate his rivals made people look at him with new eyes.

The first difficult task for Carlucci after he took office was to arrange the use of the limited military budget which was cut back, and his talent found expression in his proper handling of the budgetary retrenchment in the Pentagon. The military budget in the 1989 fiscal year was \$293.5 billion, and this left a gap of \$33.5 billion between the budget and the amount demanded by the military. So Carlucci decided to terminate the active service of some military equipment, which included a missile submarine, two Air Force wings (with a total 144 planes), and 620 military helicopters. In addition, he also decided to demobilize 46,000 military personnel (including 20,000 personnel on civilian posts). At the same time, the Pentagon also canceled some attractive plans for purchasing weapons systems. By doing all this, Carlucci certainly met with all kinds of obstacles from the Army, the Navy, and the Air Force. According to the original plans, the U.S. Armed Forces will buy various advanced tactical fighters and new bombers in the next 10 years; the Navy will buy new-type attack submarines and two nuclear-powered aircraft carriers; and the Army will build an air defense system. All the new equipment listed above will cost more than \$200 billion. Each year, another \$5 billion will be used to finance the SDI. Nobody was willing to see the replenishment plan being failed and to allow their own department to be affected by the retrenchment measures. Adams, Director of the Defense Budget Programming Bureau, said that as the military budget has been reduced, if the money is not saved from reducing the troops, then the expenditure for training, ammunition, and reserve parts will have to be cut. No other way can make up for the gap.

After taking office, Carlucci had only 5 weeks' time to revise and balance the budget. He succeeded in accomplishing this in a short period of just 1 month. How did he handle this tough task? He required the senior officials of the Pentagon to submit their feasible and realistic retrenchment programs rather than offering some tricky plans. The Department of the Navy first challenged Carlucci. It did not cut down on the expenditure on weapons and equipment, but tried to squeeze money out of some defense items that Congress was not willing to touch, such as delaying the wage increases for the military personnel, or canceling the order of some Trident nuclear submarines or two Los Angeles Class attack submarines. However, Carlucci did not yield to the Department of the Navy, and ordered it to mothball 16 frigates which had exceeded their service time limits. The Department of the Navy was vexed and Webb,

Secretary of the Navy, threatened to resign. Carlucci did not express any regret for Webb's resignation. Thus people saw the tough features of Carlucci.

Carlucci also decided to change the longstanding practice of "placing more orders than actual purchases" in the Department of Defense. The old practice increased the costs of the equipment and enabled the contractors to make handsome profits. Carlucci won praise from many statesmen of both parties for adopting this measure, and even Democratic presidential candidate Dukakis also praised him for being courageous enough to make the necessary but difficult policy decisions. Now nobody in Washington looks down on this secretary of defense. Carlucci also said rather proudly that "no one said that my words carry little weight."

Carlucci did not merely wield his axe, he is also good at associating with other people. Shortly after he took office in the Pentagon, relations between the Pentagon and Capitol Hill, which were not on good terms for a long time, were improved. His method was rather simple. That is, he never encroached on other people's functions and power scope, and he showed respect for other people's opinions. On the issue of budgetary retrenchment, he gave full consideration to the interests of both the Pentagon and Capitol Hill, and applied the axe to the items that neither side intended to maintain, such as the pilotless planes, the "dwarf" missiles, and a certain antisatellite weapon system. Carlucci was also soberly aware of the necessity of leaving sufficient room to maneuver when cutting down on the military expenditure, and paid attention to the expenses for such items as training and reserve parts, which used to be the first items being subject to budgetary retrenchment. As the head of the Pentagon, Carlucci certainly could not disregard the interests of the Pentagon and just curry favor with the outsiders. As former Secretary of Defense Weinberger said, "as compared with the necessary quantity, what Carlucci has cut is just the odd."

By making painstaking efforts, Carlucci eventually succeeded in reducing the budget of his department in line with the target approved by Congress, and his future days in office will still be difficult. He expected that in the next 5 years, the actual appropriations acquired by the Department of Defense would be \$200 billion to \$300 billion less than the planned amount, and this was an optimistic figure. Its prerequisite was that Congress would approve a growth rate of 2 percentage points higher than the inflation rate for the defense budget. What to reduce and how much to reduce are very sensitive political questions, and the handling of such questions needs courage and resourcefulness, and needs a skill to balance things. Anyway, Carlucci has taken his first step, and he will have to continue to move ahead.

People have also discussed the prospects of Carlucci's office. Some people said that even Dukakis wins the election, Carlucci may still remain in office as secretary of defense. If Bush wins the election, it is more likely that Carlucci will remain in office, and may even become secretary of state.

### Comparison to Qin Jiwei, Carlucci Talks

Beijing RENMIN RIBAO in Chinese on 7 September carries on page 4, a XINHUA report entitled "Chinese Defense Minister, U.S. Defense Secretary Hold Talks." This version has been compared with the Beijing XINHUA Domestic Service Chinese version published in the 6 September China DAILY REPORT, page 4, revealing the following variations:

Column one, paragraph seven, only sentence reads in RENMIN RIBAO: "...proceeded in an earnest, frank, and friendly atmosphere and were very beneficial to promoting mutual..." (deleting quotation marks);

Column two, paragraph six, only sentence reads in RENMIN RIBAO: "...Chinese air force. [new paragraph]"

Before the talks, Qin Jiwei presided over a welcome ceremony in honor of Carlucci. (adding paragraph)

### Soviet Union

#### WEN WEI PO Assesses Sino-Soviet Talks

HK0709032888 Hong Kong WEN WEI PO  
in Chinese 7 Sep 88 p 2

[Editorial: "China and the Soviet Union Share Common Ground, but No Breakthrough Has Been Made"]

[Text] China and the Soviet Union held talks at the vice foreign ministerial level to discuss the Cambodian issue. The two sides shared common ground. For example, they agreed that the Cambodian issue should be solved as soon as possible by seeking a fair and reasonable political solution.

This common point is a good one, because when dealing with international affairs, one should not resort to force or try to use military force to threaten other people and coerce a neighboring country into selecting a certain social system or a certain government. Vietnam has hung on to Cambodia for a long time, and it is now the time for it to withdraw. Only after Vietnam withdraws its troops from Cambodia will a political settlement of the Cambodian issue be possible.

However, how can the political settlement be realized? How can Vietnam be forced to withdraw its troops? China and the Soviet Union still have major differences on these questions.

First, is the Soviet Union an outsider? The Soviet side always tried to shirk its direct responsibility for Vietnam's aggression against Cambodia. The Chinese side held that the Soviet Union is the only direct supporter of Vietnam. Without the Soviet Union's support, Vietnam will not be able to fight in Cambodia for even a single day more. If the Soviet Union suspends its military and economic assistance to Vietnam, Vietnam will have no



choice but to withdraw its troops. So the Soviet Union is not an outsider, and it can play a major role in forcing Vietnam to withdraw its troops.

Second, is there only one key point or are there two key points in the political settlement of the Cambodian issue? Some people are partial to Vietnam and say that there are two key points: One is the withdrawal of Vietnamese forces, and the other is "preventing the Khmer Rouge from regaining state power." However, China holds that there is only one key point—that is, the withdrawal of Vietnamese forces. Vietnam's intention is to use force withdrawal as a smoke screen to achieve what it failed to achieve through war—that is, to maintain a pro-Vietnam puppet regime in Phnom Penh. Recently, Vietnam forced the puppet regime in Phnom Penh to sign an agreement to allow nationals of both countries to cross the border without visas, and this will enable a large number of Vietnamese people to immigrate freely to Cambodia and to turn themselves into Cambodian citizens, or soldiers and militiamen of the Cambodian puppet regime. Thus it will be more convenient for Vietnam to control this neighboring country. The government organs of the puppet regime in Phnom Penh have increased their personnel, and the puppet army has increased their supply of heavy weapons and its number of soldiers. So if the three factions realize their combination (by excluding Khmer Rouge), the strongest will be the puppet regime headed by Heng Samrin, and the Sihanouk and Son Sann factions will become powerless. The opinion about "two key points" advocated by Vietnam in fact serves the purpose of enabling Vietnam, through political settlement, to achieve something that it fails to achieve through war.

China resolutely opposes this sinister plan, and naturally also opposes the opinion about the "two key points." China maintains that the withdrawal of Vietnam's forces must be unconditional and Vietnam cannot put forward such prerequisites as maintaining a dominant position for the puppet regime, controlling the situation, and organizing a government.

In view of Vietnam's intention, China holds that first, the Vietnamese troops must withdraw, and then Democratic Kampuchea and the Phnom Penh government should be disbanded, so a four-party coalition government can be established. This will smash Vietnam's plan to organize a new government with the puppet regime as the main body. Second, China holds that the withdrawal of Vietnam's forces should be subject to international supervision so that Vietnam will not be able to play the tricks of "taking the movements of the troops as force withdrawal" and "replacing real elections with a pro-Vietnamese puppet regime."

Due to historical reasons, it is understandable that some people still fear the reappearance of a regime controlled by the Khmer Rouge alone. However, more dangerous is the monopoly of state power by the puppet regime. This

will just enable Vietnam to maintain its aggression and occupation without fighting a war. Therefore, the prerequisite for the political settlement must be Vietnam's unconditional withdrawal.

Only after Vietnam withdraws its troops will the Cambodian people be able to make a selection by themselves. If the military strength of Khmer Rouge cannot overpower that of the Heng Samrin clique, Khmer Rouge naturally cannot hold state power alone. At the same time, the Cambodian people have also had a sufficient understanding of Khmer Rouge, and their voting will prevent the monopoly of state power by Khmer Rouge. International supervision also provides an effective guarantee.

In the future, the duty of the Soviet Union is to help Vietnam realize the advantages and disadvantages and exert pressure on Vietnam. The Chinese and Soviet foreign ministers have agreed to continue to discuss the Cambodian situation when meeting in the United Nations. The talks will thus move to a higher level. When leaving Beijing, Gorbachev also made some optimistic remarks. If the Soviet Union realizes what it should do and understands that the continuing support for Vietnam's aggression against Cambodia will just add heavy burdens, then the Soviet Union will make a resolute choice.

**Newspaper Notes Sino-Soviet Border Trade**  
*HK0709071788 Hong Kong WEN WEI PO*  
*in Chinese 2 Sept 88 p 26*

[Special Article by WEN WEI PO Reporter Huang Hsutung (7806 2485 2639): "Roundup on the Situation of Sino-Soviet Border Trade Development" part one]

[Text] Sino-Soviet relations show obvious improvement after Gorbachev's rise to power and his pursuance of a number of reforms and peaceful policies. This is shown by the rapid growth of bilateral trade between the two countries. The Soviet Union is now the fifth largest trading partner of the PRC, next to the Hong Kong and Macao region, Japan, the United States, and West Germany.

**Bilateral Trade Between the PRC and the Soviet Union This Year Is Expected To Be Twice That of Last Year**  
[subhead]

In the 1st half of this year, Sino-Soviet bilateral trade volume amounted to \$1.3 billion, 32.23 percent higher than in the same period last year. The trade volume of the year will amount to \$2.8 billion, an increase of 30 percent. According to the prediction of people concerned, Sino-Soviet border trade volume is expected to exceed 0.5 billion Swiss francs this year, while in the past the volume was only over 0.2 billion Swiss francs.

The easing of Sino-Soviet relations has promoted the development of trade between the two countries. Three inland and border provinces and regions—namely, Heilongjiang, Inner Mongolia and Xinjiang, which lie at the border of the Soviet Union, will derive the most benefit. Last year Jilin Province also joined the border trading activities with the Soviet Union. Recently, the activities extended from north to south, to the Southern City of China, Shenzhen.

#### Sino-Soviet Border Trade Is Attractive to Local Enterprises in the PRC [subhead]

Sino-Soviet border trade attracts enterprises and corporations in all places in the PRC in the following ways:

First, both the PRC and the Soviet Union are carrying out reforms in their foreign trade systems. Localities and enterprises are now possessing greater autonomous right. Zheng Tuobin, minister of foreign economic relations and trade, pointed out that all provinces, municipalities, autonomous regions and cities with independent planning in the country, and also enterprises, departments and local governments can engage in border trade with the Soviet Union and Eastern European countries. The Soviet Government also transferred the monopoly of border trade with the PRC, which was originally in the hands of the Eastern Foreign Trade Corporation (border trade with Xinjiang) and the Far East Foreign Trade Corporation (border trade with Inner Mongolia and Heilongjiang), to localities. Such measures facilitate greatly the business of local enterprises which desire to develop foreign trade, and provide channels for such trade.

Second, as border trade takes the form of barter trade, it is beneficial to those units that lack foreign exchange. Such trade exchanges goods for and every transaction is balanced. There is no need to pay in foreign exchange, and so there will not be any trade barrier caused by the unfavorable balance of trade or the difficulty in foreign exchange payments. The commodities in each transaction are those lacked by both parties. If the PRC exports agricultural products, products of light and textile industries, food, and electrical appliances in exchange with commodities such as vehicles, steel products, timber and chemical fertilizer, this kind of trade is basically one that mutually offsets the deficiency in resources of both countries.

Third, the PRC is developing its coastal export-oriented economy, though it is difficult for the economy to fight for a place in the Western markets. The huge market of the Soviet Union demands medium- and low-grade commodities. And as the focal points of its development in the last few decades were heavy and military industries, there was no way to improve the shortage of light industrial products all through the years. Siberia has to import even agricultural products due to its natural limitations. All these factors provide export opportunities to Chinese enterprises.

Fourth, due to the advantageous geographical and technical conditions of the coastal areas in developing export-oriented economy, the border provinces and regions will be limited by their conditions if they want to participate in international exchanges or competition.

However, if the PRC can open the door to the West and engage in border trade with the Soviet Union, it will become another gateway for such provinces and regions.

#### Expand Border Trade Ports and Strengthen Economic Cooperation With the Soviet Union [subhead]

We can see the future economic development trend of these Chinese border provinces and regions from the number of trade ports opened for Sino-Soviet border trade. Up to now 15 cities and counties have obtained approval from the State Council to work as trade ports engaging in Sino-Soviet border trade. These include the 9 cities and counties of Heilongjiang, including Heihe City, Tongjiang City, Suifenhe City, Mohe, Jiayin, Luohei, Raohe, Hulin, and Mishan (goods and materials in all these ports, except Mishan and Suifenhe, are transported by sea); Manzhouli and Erenhot of Inner Mongolia; Huoerguosi and Tuerduote of Xinjiang; and Changlingzi of Jilin's Hunchun City. Three other ports to be opened are Baketu, Jiminay and Alataw Pass. Two more ports will be opened to Mongolia but the exact places are still under consideration. They are expected to be places along the Altay Mountain Range.

In order to make the most of the strong points of the ports and hasten the development of border trade, provinces and regions such as Heilongjiang, Inner Mongolia and Xinjiang have formulated relevant policies, which are similar in function to the "two coverings of a fan" of the special economic zones in the Southeastern coastal special economic zones.

Heilongjiang formulated the strategy of "linking the south and opening up the north, leading an open policy in all directions." The strategy plans to devote major efforts to the development of trade and economic and technical cooperation between the province and the Soviet Union, and exercises the policy of profit concession and preferential measures by welcoming all enterprises which are willing to develop trade with the Soviet Union to establish trade windows, factories and processing areas in the province's border areas and ports. If regional trade with the Soviet Union can be done well, the economy of Heilongjiang will be promoted, and the province may be turned from an inland and remote province into a frontier region open to foreign countries. This is beneficial to the speeding up of development of the province's export-oriented economy and the strengthening of the province's competitive power in international markets. This strategic ideology was affirmed by Zhao Ziyang and Hu Qili.



Erenhot and Manzhouli, the Inner Mongolian entry points that possess two international trunk railways, are putting forward a new economic strategy, which is to "open to the north." Leaders in Inner Mongolia proposed the development of entrepot trade, national trade, regional trade and border trade at the same time in Erenhot and Manzhouli with the help of the two international trunk railways; and the development of new pivots linking local markets in all places of the country with international markets in the Soviet Union, Mongolia and Eastern Europe. It is reported that Erenhot has a population of less than 10,000 people and an area of 2 square km, but it creates a customs revenue of more than 1 billion yuan per year. People named Erenhot as the Shenzhen of the north. It has been approved that the boundary of Erenhot will be completely open to all people from within the country and other countries to establish factories or joint ventures there.

Xinjiang chooses the light industry market in the Central Asian area of the Soviet Union and puts forward the economic strategy of "importing from the East and exporting to the West." To import from the East is to import capital and technology from the East and foreign countries and process local raw materials into final products. To export to the West is to export these final products westward to the Soviet Union and Eastern Europe. Xinjiang is now preparing for the establishment of free trading zones in Huoerguosi and Tuerduote ports. Goods from other provinces and municipalities can also be transported to these ports for transaction.

### Northeast Asia

#### DPRK's Nonparticipation in Olympics Viewed

HK0609152288 Hong Kong TA KUNG PAO  
in Chinese 6 Sep 88 p 2

["Political Talk" by Shih Chun-yu (2457 0689 3768): "It Is a Pity That Pyongyang Is Not Taking Part in the Olympic Games"]

[Text] The 24th Olympic Games, which will open on 17 September, have now entered the "countdown" stage. The DPRK officially announced on 3 September that it will not participate in the Olympic Games. In late August, when South Korea and North Korea were holding a preliminary meeting for a joint parliamentary meeting, people hoped that the athletes of Pyongyang would be able to appear on the Olympic arena in Seoul. Now, we regret that this hope can never be realized.

In the North-South talks in Panmunjom in late August, the Pyongyang representative stressed that the unshakable principled stand of North Korea was: In order to ease tension, priority must be given to the conclusion of a nonaggression agreement between the North and the South; and the Olympic Games should be held jointly by the North and the South. Obviously, these two points showed the idea of "placing politics in the primary position."

The International Olympic Committee has long stated that the holding of the Olympic Games in Seoul was the unanimous decision of the International Olympic Committee, and that North Korea could be responsible for sports events, but it was impossible to allow North Korea and South Korea to hold the Olympic Games jointly. At the same time, up to the registration deadline the International Olympic Committee always expected that North Korea would participate in the Olympic Games. Now Pyongyang has stated that owing to the obstruction of the United States and the South Korean authorities, the North and the South failed to reach an agreement on jointly holding the 24th Olympic Games.

From Pyongyang's viewpoint, it seems that the DPRK has full reason to condemn the obstruction of the United States and South Korea because it holds a different opinion and position from them. However, from the angle of the international community, it is hard for other countries to support the viewpoint of North Korea on this issue. This time, apart from six countries, including North Korea and Cuba, most of the countries that will not participate in the Olympic Games are obstructed by their economic difficulties or by the difficulty in selecting qualified athletes.

According to the needs of their own policies, the Soviet Union, the East European countries, and China will send large delegations to participate in the coming Olympic Games. South Korea also plans to take advantage of this opportunity to conduct new exchanges with the Soviet Union and the East European countries. This demonstrates the flexibility of South Korea's foreign policy after its economic development.

The Soviet Union is sending a 719-member Olympic delegation to Seoul, and they are being accompanied by another 220 tourists. A large ballet troupe of the Moscow Theater has arrived in Seoul by Korean Airlines, and it has begun holding public performances in Seoul, Pusan, and Taegu. However, this famous ballet troupe has never given a performance in Pyongyang. Before the Moscow ballet troupe arrived in Seoul, all the tickets had been sold out. As part of the international art performances before the opening of the Olympic Games, the Moscow Broadcast Chorus and the Moscow Philharmonic Orchestra also gave their first performances to the public in Seoul, and were warmly welcomed.

Over the past 40 years, South Korea has always maintained close relations with the United States, taking this as the axis of its foreign policy, and has always maintained an anticommunist policy. However, such unprecedented changes have occurred today in Seoul. In general, this shows that South Korea is changing in keeping with the main trend of the world.

However, today China, the Soviet Union, and Eastern Europe still maintain close and friendly relations with Pyongyang. On 9 September, Pyongyang will hold grand

celebrations to mark the 40th anniversary of the founding of the DPRK. China will send a highest-level delegation headed by state President Yang Shangkun to Pyongyang, and the Soviet Union will send Supreme Soviet Presidium Chairman Gromyko. This shows that both China and the Soviet Union attach great importance to their relations with Pyongyang.

The world situation in recent years has been developing very quickly, and the general tendency is detente. The Korean peninsula is no exception. Even though Pyongyang is not participating in the Olympic Games, this will not affect the efforts of the people on both sides to seek peaceful reunification in the future. Anyhow, detente represents the common wish of the people.

#### 40th Anniversary of DPRK Founding Marked

##### Yang Shangkun Arrives

OW0709081088 Beijing XINHUA in English  
0753 GMT 7 Sep 88

[Text] Pyongyang, September 7 (XINHUA)—Chinese President Yang Shangkun arrived here by a special train at 15:30 this afternoon to pay a goodwill visit to the Democratic People's Republic of Korea (DPRK) and to attend the celebrations of the 40th anniversary of DPRK's founding.

Yang, also a member of the Political Bureau of the Chinese Communist Party Central Committee, is heading a Chinese high-level party and government delegation to congratulate DPRK on its success in the socialist construction in the past 40 years. He came here at the invitation of Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the DPRK.

This is Yang's first foreign trip and first visit to DPRK in his capacity as Chinese president since he assumed the office last April.

The Chinese president and his entourage were greeted at the local railway station by Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea.

On his way to Korea in the special train, the Chinese president told reporters he was extremely happy to meet President Kim Il-song, whom he described as "a best comrade-in-arms and old friend for more than 40 years".

A great number of Pyongyang residents turned out to welcome Yang at the railway station.

##### Shanghai Mayor Departs

OW0609115288 Shanghai City Service in Mandarin  
2200 GMT 5 Sep 88

[Text] At the invitation of Shanghai's friendship city, Hamhung City of Korea, Zhu Rongji, alternate member of the CPC Central Committee, deputy secretary of the Shanghai Municipal CPC Committee, and mayor of Shanghai, led a seven-member Shanghai municipal friendship delegation to Korea's Hamhung City. They left Beijing yesterday via international train and will take part in celebration activities of the 40th founding anniversary of the DPRK there.

##### He Zhukang-Led Delegation Visits

SK0209015088 Changchun Jilin Provincial Service in Mandarin 2100 GMT 1 Sep 88

[Text] Upon the invitation of the Changang Provincial Administrative and Economic Guidance Committee of the DPRK, the eight-member amity delegation of Jilin Province, headed by He Zhukang, secretary of the Jilin Provincial party committee and governor of the province, left Changchun for the DPRK by train on the evening of 1 September to participate in activities celebrating the 40th anniversary of the founding of the DPRK, and to pay a friendly visit.

The members of the delegation were Zhang Baohua, deputy political commissar of the provincial military district; Wang Yunkun, secretary general of the provincial government; Li Jieche, director of the provincial Foreign Affairs Office; (Wang Guofang), secretary of the Tonghua City CPC Committee; (Sun Youmin), secretary of the Hunjiang City CPC Committee; (Zhang Xinmin), a section chief of the General Office under the provincial party committee; and (Jian Sanyu) and (Cai Changqing), deputy section chiefs under the provincial Foreign Affairs Office.

Seeing the delegation off at the station were Wang Zhongyu, deputy secretary of the provincial party committee and provincial vice governor; Du Qinglin, deputy secretary of the provincial party committee; Gao Wen, provincial vice governor; Liu Chuan, deputy political commissar of the provincial Military District; (Gao Yujie), deputy secretary general of the provincial party committee; (Yang Qingxiang), deputy secretary general of the provincial government; and (Yang Jichang), deputy director of the provincial Foreign Affairs Office.

##### Xi Zhongxun Reports on DPRK Visit

OW0109051388 Beijing XINHUA Domestic Service in Chinese 1213 GMT 30 Aug 88

[Text] Beijing, 30 Aug (XINHUA)—In a written report to the NPC Standing Committee on an NPC delegation's visit to Korea, Vice Chairman Xi Zhongxun of the NPC Standing Committee said: At the invitation of the Standing Committee of the Korean Supreme People's Assembly, an NPC delegation, headed by Vice Chairman Xi

Zhongxun of the NPC Standing Committee, made a friendly visit to Korea from 8 to 15 July 1988. The delegation achieved its planned goals in enhancing friendship and understanding, and mutual learning during the visit.

The report points out: During the visit, the delegation warmly acclaimed the friendship and cooperation between the Chinese and Korean parties, the two countries, and their parliaments, and the profound friendship between the leaders and proletarian revolutionaries of the older generation of the two countries. The delegation warmly congratulated the Korean people on their tremendous achievements in socialist construction. The delegation reiterated that our party, government, and people firmly support Korea's consistent stand in achieving the independent and peaceful reunification of the fatherland. Korean comrades highly appraised the delegation's visit. During the visit, the delegation received a warm welcome and hospitality wherever it went. This provided us another opportunity to feel the brotherly friendship between the Chinese and Korean people.

The report says: President Kim Il-song met with, and feted, Vice Chairman Xi Zhongxun and all other members of the delegation in Chongjin, and they had a very cordial and friendly conversation. President Kim Il-song extended his greetings to Deng Xiaoping, Zhao Ziyang, Yang Shangkun, Li Peng, and other leading comrades of the party Central Committee, and Vice Chairman Xi Zhongxun also conveyed greetings to President Kim from the above comrades and from Comrades Wan Li, Li Xiannian, and Deng Yingchao. In the name of the Workers Party of Korea Central Committee, the Korean Government, and the Korean people and in his own name, President Kim warmly congratulated the Chinese people on the achievements they had made in carrying reforms and opening to the outside world, and he also wished them greater success in the future. President Kim extended a warm welcome to the coming visit to Korea of a delegation to be led by President Yang Shangkun. President Kim's conversation with us once again embodied the consistent stand of the WPK and the Korean Government in attaching importance to the development of friendship and cooperation with us.

The report states: Through this visit, we have become aware that the scale of socialist construction in Korea has remained large, and that achievements have been made one after another. The 40th anniversary of the founding of Korea will fall on 9 September this year. At the beginning of this year, the WPK Central Committee called on all its party members to work hard for 200 days to greet the 40th National Day with new achievements. During the visit, we saw people busying themselves in construction wherever we went. Some big construction projects had begun to take shape in a little over 2 years. This fully shows the Korean people's intelligence, wisdom, and hardworking spirit.

The report says: Through this visit, we also feel that the Korean people's sense of organization and discipline, their strict enforcement of orders and prohibitions, their decorum and courtesy, and their moral accomplishment are worth learning. In addition, Korea attaches great importance to culture, education, education in revolutionary traditions, making the country green, and blazing new trails in planning for urban construction, which left a deep impression on the delegation.

### West Europe

**Magazine Views Effect of Detente on West Europe**  
*OW3108201688 Beijing XINHUA in English*  
1541 GMT 31 Aug 88

[Text] Beijing, September 1 [date as received] (XINHUA)—Western Europe faces historical opportunities for economic development following the latest detente in U.S.-Soviet relations, a leading Chinese bi-weekly predicted today.

The Beijing-based "WORLD AFFAIRS" magazine said that the detente appears to be long-term since the United States and the Soviet Union are concentrating mainly on domestic issues for now.

This provides good opportunities for Western Europe to speed up its economic buildup. Good use of these opportunities is a key for the continent to determine its international position after the year 2000, the bi-weekly said today in a signed article.

Other issues besides economic development that Western Europeans must solve include security considerations, or the balance between defense and detente, and defense cooperation with the Americans, the journal said.

Referring to reasons for the detente, "WORLD AFFAIRS" said both superpowers are heavily burdened domestically and internationally after decades of fighting for dominance. They need a period of rest, the journal added.

The Chinese bi-weekly said future Moscow-Washington competition will be centered on new science and technology at a larger scale and much higher level.

**Delegation of Disabled on European Tour**  
*OW609051888 Beijing XINHUA in English*  
0053 GMT 6 Sep 88

[Text] London, September 5 (XINHUA)—Deng Pufang, chairman of the China Disabled Persons Federation (CDPF), today expressed the hope that cooperation between Chinese and British organizations for disability and rehabilitation will be further increased after his visit to Britain.



Deng, who is leading a CDFP delegation on a 10-day visit in Britain, was speaking at a reception at the Chinese Embassy this evening, which was attended by over 200 people including government officials and representatives of various British institutions for the disabled.

The CDFP delegation arrived in London on August 28 at the invitation of the British Government, the Sino-British group on rehabilitation and the Royal Association for Disability and Rehabilitation (RADAR).

During the visit, the delegation held discussions with the Sino-British group on rehabilitation, the RADAR, the Royal National Institution for the Deaf (RNID), the Spastics Society and the British Diabetic Association.

Members of the delegation also toured institutions and welfare facilities for the disabled including Queen Elizabeth's foundation for the disabled and the Stoke Mandeville Hospital.

On separate occasions, Deng Pufang met and had talks with Nicholas Scott, minister of state for social security, and David Mellor, minister of state for health.

During the visit, Deng Pufang and other members of the delegation gave a detailed introduction on China's five-year work program for the disabled (1988 - 1992), drawn up by the CDFP.

The program, among other things, foresees that within the next five years, operations will be performed on 500,000 cataract patients for restoring their eye-sight and 300,000 orthopaedic operations on polio victims and hearing and speech training will be provided to 30,000 deaf children.

The program gained understanding and appreciation among the British institutions for the disabled and people from other circles.

To express their support for China's efforts in this field, the Sino-British group on rehabilitation gave 5,000 hearing aids to the CDFP.

Jimmy Saville, a well-known British comedian, donated a mobile surgical unit.

The CDFP was also honored at a dinner hosted by the London Export Corporation last week which was attended by more than 300 people from industrial, commercial and financial circles.

Former British Prime Minister Edward Heath was present on the occasion.

Members of the delegation also met with representatives of the local Chinese community in a get-together in London's China Town.

Tomorrow, Deng Pufang and his delegation will leave London to continue his three-nation European tour which will also take him to Federal Germany and Austria.

**Equipment Exhibited at British Air Show**  
*OW0509014688 Beijing XINHUA in English*  
*0106 GMT 5 Sep 88*

[Text] Farnborough, England, September 4 (XINHUA)—The 40th annual Farnborough Air Show opened today in England, with 102 types of aircraft to be exhibited and 53 types to take part in the flying display in the week-long event.

In the rarely seen fine English day in September, the air display debut of the Soviet MiG-29 "Fulcrum" at about four o'clock this afternoon obviously became the spotlight before a 10,000-strong crowd at the show.

"It has taken 40 years for a red-starred military aircraft to appear at a Western air show," said Western aerospace experts.

They said the first ever airshow appearance of Soviet combat aircraft like the MiG-29 "makes it difficult to believe that this is a 1970s technology combat aircraft."

It was noticed that there is something new in the Mig-29's control system which comprises separate all-moving slab tailplanes, and the twin rudders, operating in conjunction with full-span automatic slats.

But the engine of a Soviet Antonov-124, the world's heaviest aircraft, caught fire on takeoff.

A pilot cut the other engines and halted the nearly 450-ton aircraft of the Soviet Aeroflot state airline. No one was injured.

An official from the Soviet delegation at the show said the "Antonov-124" will fly again before the end of the week.

Meanwhile, an Airbus 320, the same kind that crashed at a French air show in June and killed three people, took off on a smooth display flight.

During this year's air show, the two-seat McDonnell Douglas TAV-8B Harrier II is also entirely new to Farnborough among the military jets from the West, with the General Dynamics F-16C and MDD CF-18 representing current combat types.

Most interest among transport aircraft during today's preview was focused on the McDonnell Douglas MD-81 UHB unducted fan demonstrator.

This ultra high bypass test aircraft is being used to evaluate the aerodynamics, structure, cabin noise and operation of this engine concept.

In this year's Farnborough, the public are also interested to see three Chinese companies here with their products ranging from the first-ever appearance of a launch vehicle and missiles to the newly modified fighters.

Among the Chinese exhibits are CZ-4, a new member of the "Long March" family of launch vehicles for solar synchronous satellites, HY-3, a shore-to-ship missile at supersonic speed, and F-7M, a newly modified light tactical single-seat fighter equipped with a British fire control system.

"This is the first step for us to go into the world," said an exhibitor from China Great Wall Industry Corporation which has successfully launched satellites for foreign customers.

With about 700 companies from all over the world in this year's air show, Farnborough is now becoming a major international trade place for the aerospace industry.

Experts predicted orders will top the record 1.67 billion dollars for the last show in 1986.

**British Bank Celebrates Anniversary in Shanghai**  
*OW2908232888 Beijing XINHUA in English*  
1511 GMT 29 Aug 88

[Text] Shanghai, August 29 (XINHUA)—The Shanghai branch of Britain's Standard Chartered Bank is entering its 131st year of business here with some big plans in mind.

C.M. Kwok, the branch's new manager, told XINHUA today the plans include expanding business and raising work efficiency.

"In addition to promoting import and export, the branch will also offer loans for industrial renovations and the city's infrastructure projects," he said.

The branch, founded in August 1858, is the oldest in China of any foreign bank.

The bank has branches in Shenzhen, Zhuhai and Xiamen Special Economic Zones as well as offices in most major cities including Beijing, Dalian, Tianjin and Guangzhou.

But the Shanghai branch remains the largest with 69 employees including 25 university graduates hired last month to cope with business expansion.

Kwok said the bank has never suspended business since the founding of New China 40 years ago.

**XINHUA, UK Firm To Produce Magazine**

*HK0309034888 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 3 Sep 88 p 4*

[Text] The first joint effort between the NEW CHINA NEWS AGENCY and UK-based South Publications, a Chinese business magazine covering global economics, is to be launched on October 5.

The magazine, JINGJI SHIJIE (BUSINESS WORLD), will be circulated free among China's policy-makers and planners in central and local government, executives of major Chinese corporations and enterprises, financial institutions and banks, academics and trade experts.

Each monthly issue of JINGJI SHIJIE will contain a selection of translated articles taken out of the monthly SOUTH magazine—distributed worldwide and produced by South Publications.

SOUTH covers world political, financial, social and economic issues from the perspective of developing countries.

The NEW CHINA NEWS AGENCY will supply the Chinese angle and also look after distribution.

South Publications, according to Silke Gebauer, advertisement manager (Southeast Asia), will retain overall editorial control.

"The initial circulation will be 25,000 copies per issue. We hope to raise it to 50,000 in the next two to three years," Ms Gebauer said.

She expects JINGJI SHIJIE to be the number one business magazine in China, despite the availability of others such as the Chinese edition of BUSINESS WEEK.

"It should rank higher than other competing international magazines in the country because the Chinese readers can more easily identify with it, since it presents itself from the perspective not of the developed, rich countries, but the developing ones, like China itself," Ms Gebauer said.

She said international or regional magazines tended to present the gloomy side of the developing countries, lacking a positive approach and explorations of their development potential.

SOUTH has a world circulation of 79,365, with about 50 per cent coming from Asia and the Middle East.



**Changes Inevitable in UK Labor Movement**  
*OW0609015988 Beijing XINHUA in English*  
0037 GMT 6 Sep 88

[“News Analysis: Britain’s Labor Movement Faces Realignment (by Zhang Mingde)”—XINHUA headline]

[Text] Bournemouth, England, September 5 (XINHUA)—The expulsion of the rebellious electricians’ union from its umbrella organization, the Trade Union Congress (TUC), will bring about a major split in Britain’s organized labor movement and could herald a reshape of political directions taken by the trade unions in the coming years.

The 1,000-odd delegates to the 120th TUC National Conference voted by an overwhelming majority today to drive out the electricians’ union, the Electrical, Electronic, Telecommunication and Plumbing Union (EETPU), for the single-union no-strike agreements it signed with the employers.

These agreements, signed two years ago between the EETPU and employers of two plants, stipulate that labor disputes in future should be settled through arbitration as a final method instead of traditional ways to strike by the unions.

The TUC has called the agreements an erosion of the union rights and said the EETPU was acting in a way detrimental to the interests of the trade union movement.

Upset by the EETPU deals, the TUC General Council voted by 36 to 4 on June 22 favoring imposing a suspension of the Electricians’ Union of its TUC membership. [sentence as received]

A month later, the TUC issued a code of conduct banning no-strike deals by its affiliated unions.

Unions should give prior notification to the TUC if they want to bargain any proposed deals, the code said.

However, these moves had no effect on the maverick EETPU leader, Eric Hammond, who argued that the TUC should have no right of telling the independent unions what deals they are to sign.

The no-strike deals were signed by the EETPU in accordance with its members’ votes and views, which should form the foundation of his organization, he said.

Norman Willis, general secretary of the TUC, said today that the expulsion was recommended because, to take any other course would fatally undermine a fundamental role of the TUC.

However, what really worried the TUC leadership is in fact not only the offering of such sweetheart terms to employers by one of its affiliated unions, but that such a move might cause a chain reaction which will in turn damage the tradition of Britain’s labor movement.

Norman Willis has mentioned that the central significance of the dispute is not the agreement itself, but what he called the “industrial anarchy” which could weaken the ability of the working class on other issues.

“The prime task of the TUC is to ensure orderly relations between its affiliates, without that, there is no effective trade union movement,” he said.

In fact, what the TUC leaders feared would happen has already begun to appear. It is reported that another major union organization, the Amalgamated Engineering Union (AEU), has signed an agreement with Coca-Cola, which also contains a no-strike clause. TUC sources said the stand taken by the AEU increased its chances of expulsion from the TUC.

There are speculations that if this happens, the AEU, with 815,000 members, could join EETPU to form a rival trade union center together with breakaway groups from other unions.

Whatever happens in future, the current dispute has represented the biggest split in Britain’s labor movement since the founding of the TUC 120 years ago.

Unionists to the conference are in favor of the view that with more and more workers becoming shareholders under Mrs Thatcher’s “popular capitalism,” major changes in Britain’s labor movement are inevitable.

**New Qiang-5D Plane Uses Italian Electronics**  
*HK0709062888 Beijing ZHONGGUO XINWEN SHE*  
in Chinese 0243 GMT 1 Sep 88

[Report: “Successful Test Flight of Qiang-5d Fighter Plane”]

[Text] Nanchang, 1 Sep (ZHONGGUO XINWEN SHE)—The Chinese mainland’s first type of supersonic attack planes, Qiang-5, has been equipped with sharp “eyes” that enable the planes to perceive the conditions in all directions. On 30 August, the test flight of Qiang-5D, a new model that is equipped with advanced electronic navigation and attack systems made by Italy, was successful.

Qiang-5 was successfully designed and developed by the Nanchang Airplane Manufacturing Corporation in the 1960’s, and was produced in large quantities and put into active service in the air force in the early 1970’s. It is a single-seat, double-engine attack plane. It has the capability of flying at a low or medium altitude, and is a major type of fighter plane in the Chinese air force. At the 37th International Aviation and Astronautics Exhibition in Paris last year, Qiang-5 won the good name of “Asian Star.”

The main functions of Qiang-5 are to break through the enemy’s defensive line through flight at a low altitude and attack the ground forces, the rocket and missile

launching grounds, the air force bases, offshore warships, and tanks. This plane can also be used to fight air battles with rockets, guns, and air-to-air missiles.

Qiang-5 was equipped with wireless compasses for navigation in the past, and this equipment could not ensure a high degree of accuracy, thus affecting the attacking capacity of this plane. Now, Qiang-5D is equipped with advanced electronic navigation and attack systems made by Italy, and its accuracy of navigation and attack capacity have both been greatly improved.

#### **Italian Delegation Visits Liaoning 1 Sep**

SK0209034888 Shenyang Liaoning Provincial Service  
in Mandarin 0930 GMT 1 Sep 88

[Text] At the invitation of the provincial People's Congress Standing Committee, the 18-member delegation of Italy's Emilia Romagna regional parliament, headed by (Giovani Chibioli), president of the parliament, arrived in Shenyang on the afternoon of 1 September.

Welcoming President (Giovani Chibioli) at the railway station were Zhang Tiejun and Cheng Jinxiang, vice chairmen of the provincial People's Congress Standing Committee; Qi Zheng, secretary general of the provincial People's Congress Standing Committee; and responsible persons of relevant departments. Young women presented fresh flowers to the president and his wife and the vice presidents.

Since the establishment of friendship ties between Emilia Romagna Region and Liaoning Province, the friendship and cooperation relations between the region and the province have ceaselessly been consolidated and developed.

On the afternoon of 1 September, President (Giovani Chibioli) and his party respectively called at the offices of the provincial People's Congress Standing Committee and the provincial government.

Wang Guangzhong, chairman of the provincial People's Congress Standing Committee, and provincial Governor Li Changchun, respectively, held cordial and friendly talks with the guests.

#### **Delegation Departs 4 Sep**

SK0509030388 Shenyang Liaoning Provincial Service  
in Mandarin 0930 GMT 4 Sep 88

[Text] After satisfactorily winding up its visit in our province, the 18-member delegation of Italy's Emilia-Romagna regional parliament, including Mr (Chibioli), president of the parliament, and his wife, left Shenyang for Xian by plane this afternoon.

Before departure, Wang Guangzhong, chairman of the provincial People's Congress Standing Committee, went to the guesthouse to say good-bye to the guests. Seeing the delegation off at the airport were Zhang Tiejun and

Cheng Jinxiang, vice chairmen of the provincial People's Congress Standing Committee; Qi Zheng, secretary general of the provincial People's Congress Standing Committee; and Li Xishun, chairman of the provincial foreign affairs office.

#### **Anhui City Sets Up Ties With Italy's Bergamo**

OW0609045888 Beijing XINHUA in English  
0109 GMT 6 Sep 88

[Text] Bergamo, September 5 (XINHUA)—Bengbu City of China's Anhui Province has set up friendly relations with Bergamo in Lambardi region, Italy, with the aim of boosting their economic, cultural and tourist cooperation.

The announcement was made today after the signing of an accord to the effect by Xu Jingren, mayor of Bengbu, and his Bergamo counterpart Giorgio Zaccaralli.

The Bengbu delegation, which arrived in Italy last Friday, will return home on September 13.

#### **Deputy Foreign Minister Continues European Tour**

##### **Visits Sweden**

OW0109200788 Beijing XINHUA in English  
1418 GMT 1 Sep 88

[Text] Helsinki, September 1 (XINHUA)—Chinese Deputy Foreign Minister Zhou Nan ended a four-day visit to Sweden and left Stockholm for Denmark this afternoon.

During his stay, Zhou met with Swedish Foreign Trade Minister Anita Gradin, who on behalf of Swedish Foreign Minister Sten Andersson currently out for visit and the Swedish Foreign Ministry secretary general. [sentence as received]

The Chinese deputy foreign minister detailed China's views on a political settlement of the Kampuchean issue. The Swedish side deemed that China's views are constructive.

The two sides exchanged views on current international issues, the strengthening of bilateral relations and new ways to develop the Sino-Swedish trade.

##### **Visits Denmark**

OW0509061788 Beijing XINHUA in English  
0535 GMT 5 Sep 88

[Text] Helsinki, September 4 (XINHUA)—Chinese Vice Foreign Minister Zhou Nan left Denmark today after a tour of three Nordic countries.

He is continuing his European trip, which will take him to Ireland, the Netherlands and Austria.

During his stay in Denmark, Zhou Nan was received by Prime Minister Poul Schluter, who spoke highly of the friendly relations between the two countries and hoped for wider Sino-Danish cooperation in the political and economic fields.

Zhou Nan briefed Schluter on Beijing's position on the Kampuchea issue as well as China's economic reform.

Earlier, Danish Foreign Minister Uffe Ellemann-Jensen met with Zhou Nan for a discussion on the international situation.

The Chinese vice foreign minister had earlier visited Iceland and Sweden.

#### **Norwegian Leader Welcomes NPC Delegation**

OW0709053488 Beijing XINHUA in English  
0137 GMT 7 Sep 88

[Text] Helsinki, September 6 (XINHUA)—Norwegian Prime Minister Gro Harlem Brundtland today welcomed a visiting delegation of the Foreign Affairs Committee of the National People's Congress (NPC) of the People's Republic of China.

Mrs Brundtland told Zeng Tao, deputy director of China NPC Foreign Affairs Committee and head of the delegation, that her visit to China in January this year was very pleasant and successful.

The prime minister spoke warmly of Norway-China relations and cooperation and asked Zeng to convey her regards to Chinese Premier Li Peng and to tell him she is expecting him also to visit Norway.

The delegation arrived in Oslo Sunday at the invitation of the Foreign Relations and Constitution Committee of the Norwegian Parliament.

On September 5, the parliament's Foreign Relations and Constitution Committee held working talks with the delegation. The two sides exchanged views on developing friendly contacts between the two parliaments and economic cooperation between the two countries.

The delegation leaves Saturday for Finland.

#### **'Good Prospects' for Finnish-PRC Economic Ties**

OW0709051088 Beijing XINHUA in English  
0124 GMT 7 Sep 88

[Text] Helsinki, September 6 (XINHUA)—Finnish President Mauno Henrik Koivisto said today that good prospects exist for economic ties between Finland and China.

"I am glad to be the first Finnish president to visit China," Koivisto said of his upcoming October trip to China, "he told Chinese reporters in the Finnish capital

"The visit will be the continuation of political contact between the leaders of the two nations, and it is important to exchange our views with Chinese leaders about the world situation," he added.

Koivisto said the relationship between the two countries has always been good, and has developed in a wider range of areas.

He said he believes that both sides will benefit from Sino-Finnish economic cooperation, adding that many projects are already being discussed.

The president also indicated that his country's foreign policy involves building a good relationship with neighboring Soviet Union, a priority since World War II, and with other Nordic countries.

#### **Song Jian Meets Swedish Scientists**

OW0609131788 Beijing XINHUA in English  
0937 GMT 6 Sep 88

[Text] Beijing, September 6 (XINHUA)—State Councilor Song Jian met here this afternoon with a delegation of the Royal Swedish Academy of Engineering Sciences headed by its chairman, Dr. Sten Gustafsson

Song, also minister in charge of the State Science and Technology Commission, briefed the visitors on China's reforms in the fields of science and technology.

Both sides agreed that China and Sweden can further their cooperations in space science and technology.

The Swedish visitors arrived here on September 3 as guests of the Chinese Academy of Sciences, whose president Zhou Guangzhao was present during the meeting.

#### **Forestry Minister Meets FRG Counterpart**

OW0309011888 Beijing XINHUA in English  
0054 GMT 2 Sep 88

[Text] Bonn, September 2 (XINHUA)—Chinese Minister of Forestry Gao Dezhan held talks today with Ignaz Kiechle, Federal German minister of agriculture and forestry.

The ministers reviewed forestry developments in their two countries.

Gao arrived in Bonn today at the invitation of Kiechle, and he is expected to leave the country September 13.

#### **Communications Minister, Delegation Visit FRG**

OW0309022088 Beijing XINHUA in English  
0029 GMT 3 Sep 88

[Text] Bonn, September 2 (XINHUA)—A Chinese delegation, headed by Minister of Communications Qian Yongchang, began a 9-day visit to Federal Germany today.



Qian and his host, Federal German Minister of Communications Jurgen Warnke, expressed satisfaction with the progress of cooperation between the two countries in inland navigation, irrigation, highway construction, and marine transportation projects.

They also agreed to discuss more concrete cooperative programs.

**Beijing Commodities Fair Slated for Cologne**  
OW0309034388 Beijing XINHUA in English  
1453 GMT 2 Sep 88

[Text] Beijing, September 2 (XINHUA)—An export commodities fair featuring Beijing products will be held in Cologne, Federal Germany from September 12 to 16.

Hundreds of commodities will be displayed, an official of the import and export department of Beijing's Foreign Economic Relations and Trade Commission, said here today.

They include cereals, oil and foodstuffs, textiles, knitwear, garments, silk, native produce and animal by-products, medicines and health products, metals, and minerals.

Beijing and Cologne formed sister cities last year.

The official said Beijing exports about 120 million U.S. dollars worth of goods to Western Europe each year and half goes to Federal Germany.

**Shanghai, Hamburg Share 'Live' TV 'Dialogue'**  
OW0509134488 Beijing XINHUA in English  
1134 GMT 5 Sep 88

[Text] Shanghai, September 5 (XINHUA)—Citizens of Shanghai and Hamburg, Federal Germany, carried out a 90-minute dialogue on live television via satellite Sunday night in both cities.

The transmission of the "TV Bridge Shanghai-Hamburg" involved three international communication satellites over the Pacific and the Indian Ocean.

Thirty citizens from each city took part in the program, a joint undertaking of the Shanghai TV station, the second largest in China, and ZDF of Federal Germany.

They talked about lifestyles of families and old people, marital relations and family planning, China's reforms, the status of women and traditional culture.

About 200 million people in China, Federal Germany, Austria and Switzerland watched the program, which Liu Wenguo, an official of the Shanghai TV station, said aimed to promote better understanding and friendship.

**CPC Delegation Leaves for French Festival**  
OW0609135588 Beijing XINHUA in English  
0948 GMT 6 Sep 88

[Text] Beijing, September 6 (XINHUA)—Guo Rongchang, representative of the Chinese Communist Party (CPC) and deputy secretary of the CPC Guangdong Provincial committee, left here this evening for France.

He is going to attend the festival of "L' HUMANITE," organ of the Communist Party of France.

**French Parliamentarians To Visit DPRK, PRC**  
OW0709023588 Beijing XINHUA in English  
0114 GMT 7 Sep 88

[Text] Paris, September 6 (XINHUA)—A French parliamentary delegation led by Robert Le Foll, deputy of the province of Seine-et-Marne, is scheduled to visit the Democratic People's Republic of Korea and China on September 6 to 9, AGENCE FRANCE PRESS reported today.

The delegation will attend the celebration of the 40th anniversary of the founding of the DPRK Friday, and then fly to Beijing.

**Fujian Secretary Meets Visiting French CP Leaders**  
OW0409205188 Fuzhou FUJIAN RIBAO in Chinese  
24 Aug 88 P 1

[Dispatch by Xu Yaohua]

[Text] (Philip Elgeorge), member of the Political Bureau of the French Communist Party, (Robert Aliony), member of the party's Central Committee, and their wives, a total of four people, are on a 6-day tour of Fujian that began yesterday.

Yesterday evening Chen Guangyi, secretary of the provincial party committee, met with the guests and hosted a banquet for them. He briefed the guests on Fujian's efforts over the past decade in conducting reform, opening to the outside world, improving infrastructure, and developing the three kinds of foreign-funded enterprises and village and town enterprises. He told the guests that the central authorities have designated Fujian a comprehensive reform experimental zone, and that on their tour in Fujian during the next few days they would see a microcosm of China's reform and opening up efforts. In addition, Comrade Chen Guangyi replied in detail to the guest's questions on price and wage reform and other subjects.

Yuan Qitong, member of the standing committee of the provincial party committee and secretary of the Fuzhou City party committee, was among those present on the occasion.

**NPC Vice Chairman Meets Turkish Journalists**  
*OW0609090188 Beijing XINHUA in English*  
0614 GMT 6 Sep 88

[Text] Beijing, September 6 (XINHUA)—Zhou Gucheng, vice-chairman of the Standing Committee of the National People's Congress, met here today with a delegation from the Turkish Journalists Association, headed by its president, Beyhan Cenkci.

The delegation is the first one ever sent to China by the Turkish Journalists Association.

Invited by the All-China Journalists Association, the delegation arrived here September 2 and will visit Xian, Turpan and Urumqi.

### East Europe

#### Further on Visit by CSSR President Husak

##### Visits Dalian

*OW0709040988 Beijing XINHUA in English*  
1425 GMT 6 Sep 88

[Text] Dalian, September 6 (XINHUA)—Czechoslovak President Gustav Husak and his party arrived in the scenic port city of Dalian from Tianjin by special plane here this afternoon in the company of Liao Hansheng vice chairman of the Chinese National People's Congress Standing Committee.

Vice Governor of Liaoning Province Zhu Jiazhen who came here specially from Shenyang and Dalian Mayor Wei Fuhai greeted the Czechoslovak guests at the airport. Zhu Jiazhen hosted a dinner in honor of Husak and his entourage tonight.

Today, accompanied by Liao Hansheng and Tianjin Mayor Li Ruihuan, Husak visited the Tianjin Communication and Broadcasting Corporation, where Husak saw the first TV set the corporation manufactured for China 30 years ago. He also saw the Beijing Brand color TV set the corporation made last year, which won the golden medal at the exhibition at Borno, Czechoslovakia. This year, the corporation will export 20,000 color TV sets to Czechoslovakia.

Husak showed great interest in the corporation's development and its reform in management. He said to the head of the corporation: "Thank you for providing so many television sets to our country. Yours are of high quality and are fast sellers in our country."

In Tianjin, Husak also visited the Ancient Culture Street. He said he was impressed by Chinese people's respect for the traditional cultural relics.

##### Inspects Locomotive, Car Plant

*LD0709092888 Prague CTK in English 0811 GMT*  
7 Sep 88

[Text] Dalian Sept 7 (CTK correspondent)—Czechoslovak President Gustav Husak and his entourage made a tour of the port of Dalian in the northernmost Liaoning province on the last day of their official friendly visit to China today.

The deputy premier of the province told the Czechoslovak guests about the development of economic reform and the policy of the country's "opening to the world." In line with the new economic strategy pursued in the last ten years, a zone of economic and technological development has been set up in Dalian and it has been attracting increasing numbers of domestic and foreign investors.

Gustav Husak and members of his entourage saw the huge port also from the sea and in the afternoon inspected a plant making railway locomotives and cars.

##### Ni Zhifu Meets GDR Trade Union Delegation

*OW0409180388 Beijing XINHUA in English*  
1334 GMT 4 Sep 88

[Text] Beijing, September 4 (XINHUA)—Ni Zhifu, president of the All-China Federation of Trade Unions, met here today with a visiting trade union delegation from the Democratic Germany headed by Fritz Roesel, member of the Secretariat of the Confederation of Free German Trade Unions.

Ni briefed the guests about the current political and economic situation and work of trade unions in China.

##### More on Meeting

*LD0509013088 East Berlin ADN International*  
*Service in German 0653 GMT 4 Sep 88*

[Text] Beijing, 4 Sep (ADN)—The favorable development of relations between the Free German Trade Union Federation [FDGB] and the All-China Federation of Trade Unions [ACFTU] was the subject of tributes Sunday by representatives of the two organizations. An FDGB delegation, led by Fritz Roesel, member of the Presidium and secretary of the National Executive Council, conducted an exchange of views in Beijing with ACFTU Chairman Ni Zhifu on the subject of working and living conditions. They made a positive review of the implementation to date of the agreement between their federations.

The FDGB delegation, which also met Labor Minister Luo Gan, and Civil Affairs Minister Cui Naifu, reported on the FDGB's experiences at a seminar with trade



unionists in Beijing. At the hub were problems of material interest and social policy at the work place. The FDGB delegation is in China for an exchange of views in the fields of wages, social insurance, and working and living conditions.

**Romanian Photo Exhibition Opens 3 Sep**

OW0309090688 Beijing XINHUA in English  
0719 GMT 3 Sep 88

[Text] Beijing, September 3 (XINHUA)—A photo exhibition on Romanian scenic places opened in the International Art Hall here today.

On show were more than 60 photos taken by Romanian photographers as well as Romanian national costumes and handicraft articles.

Named "travelling in Romania," the exhibition is a Sino-Romanian cultural exchange project for 1988.

Cutting the ribbon for the opening were Chinese assistant Minister of Culture Gao Yunjia and Romanian Ambassador to China Angelo Miculescu.

The exhibition is sponsored by the China International Arts and Exhibition Agency.

**Political Party Delegation Leaves for Bulgaria**

OW0509153888 Beijing XINHUA in English  
1145 GMT 5 Sep 88

[Text] Beijing, September 5 (XINHUA)—An eight-member delegation of the Central Committee of the China Democratic National Construction Association led by its Chairman Sun Qimeng, who is also vice-chairman of the Chinese National People's Congress Standing Committee, left here today for a goodwill visit to Bulgaria.

The delegation is invited by Petal Danchev, secretary of the Bulgarian Agrarian People's Union and vice-chairman of the National Assembly. This is the first exchange of its kind between the democratic parties of the two countries.

During the visit, both sides will hold meetings, share experience and exchange opinions on future cooperation.

**Bulgarian Children's Book Exhibit Opens 7 Sep**

OW0709082988 Beijing XINHUA in English  
0603 GMT 7 Sep 88

[Text] Beijing, September 7 (XINHUA)—An exhibition of Bulgarian children's books and plates opened here today at China's Children's Center.

Among the 200 books on display are fables, fiction and scientific readings. There are also 206 plates in children's books.

**XINHUA 'News Analysis' on Poland's Problems**

OW0509142988 Beijing XINHUA in English  
0627 GMT 5 Sep 88

["News Analysis: Strikes End, Problems Remain in Poland (by Wen Youren)"]—XINHUA headline]

[Text] Warsaw, September 4 (XINHUA)—With the end of strikes at the Szczecin Port and bus depot and the July Manifesto Mine on Saturday, life returned to normal in Poland. But problems still remain in the country, as Polish leader Wojciech Jaruzelski pointed out at the two-day 8th plenary session of the Polish United Workers' Party, which ended on August 29.

The work stoppages were triggered off by the failure of the price-income policy. Early this year, the Polish authorities initiated a drastic reform of the price-income policy, originally planning to raise prices by 34 percent and incomes by 36 percent. However, during the first six months, prices rose by 53 percent and incomes by 62 percent, thus arousing resentment among the people.

"The price-income policy failed to reach its goal. On the contrary, it has intensified inflation and unstabilized the market," said Wladyslaw Baka, party Politburo member and Central Committee secretary in charge of economic affairs, at the plenary session.

The strikes, which lasted for 20 days, started in the July Manifesto Mine of Katowice on August 15 and spread to 14 mines, 15 plants, shipyards and bus depots in Gdansk and Szczecin.

The strikers demanded higher pay and official recognition of the Solidarity Trade Union, which was banned in 1981 when the authorities imposed martial law in the country.

The Polish Government considered part of the strikers' demands reasonable, but still declared the walkouts illegal under the Polish law.

Actually only a small number of workers were involved in the wave of work stoppages and by August 28, 18 plants and mines had ended their strikes. On August 29, walkouts continued in the July Manifesto Mine in Katowice and some shipyards in Gdansk and Szczecin, but they involved only 3,100 workers, who accounted for 0.18 percent of the total number of workers in the country.

"The cause of the current difficulties is the faulty economic policy, and the demonstrations are a signal that the leadership has made mistakes, weakened its relations with the working class and failed to act promptly in dealing with the problems," Jaruzelski pointed out at the session.

So, during the past 20 days of strikes, the Polish authorities actively sought dialogue with the strikers, in contrast with their previous policies in handling strikes. Although they had said they would stop the strikes by mandatory sanctions, they did not do so this time.

Observers here believed that the situation in Poland would become worse and that the already-improved relations with the West would be dampened if the authorities took mandatory sanctions. And this would harm the country's economic development.

Polish Interior Minister Czeslaw Kiszczak met outlawed Solidarity Trade Union leader Lech Walesa Wednesday for talks on preparations for a coming round-table meeting between the government and representatives from all walks of life.

It was the first talk between the Polish authorities and the banned solidarity since the government declared the Solidarity illegal in 1981.

On Thursday, Walesa returned to Gdansk with a call for an end to the walkouts and the next day, he drove from his home to Jastrzebie to join strikers in their talks with a coal mine's authorities. On Saturday, coal miners at the July Manifesto Mine resumed work, thus ending the worst strike wave in Poland in seven years.

"Problems still exist" after the end of the walkouts, Jaruzelski said, and the authorities are prepared to solve "the most difficult issues" through dialogues. Observers believed that the round-table meeting would promote the establishment of dialogue.

Still, the round-table meeting will confront arduous tasks because the Polish authorities and Walesa have distinctively different positions on the restoration of the Solidarity Trade Union and other thorny issues.

However, there is no doubt that the majority of Poles hope to carry out economic and political reforms in a stable situation and to develop economy and raise the people's living standard through reform.

**Poland Makes No Concession to Solidarity**  
*OW0709081888 Beijing XINHUA in English*  
0148 GMT 7 Sep 88

[Text] Moscow, September 6 (XINHUA)—The Polish Government warned the banned Solidarity Trade Union Tuesday that it would break off a proposed round-table meeting if Solidarity fomented new strikes.

Government spokesman Jerzy Urban told a news briefing that the government has made no amazing changes in its attitude toward the outlawed Solidarity.

Urban described last Wednesday's talks between Polish Interior Minister Czeslaw Kiszczak and Solidarity leader Lech Walesa as "private." The round-table talks will be held not with leaders of the banned Solidarity, but with "individuals," he added.

In their talks, Kiszczak and Walesa discussed an upcoming round-table meeting between the government and up to 20 representatives of different groups including Solidarity. It was the first talks between the Polish authorities and Solidarity since the trade union was declared illegal in 1981.

The government spokesman told reporters that Kiszczak had not made any concessions in talks with Walesa, noting that the government only promised a broad discussion on any issues at a round-table meeting, which is scheduled for later this month.

Urban said: "If there are new strikes with political demands, the round-table meeting will be called off immediately."

The spokesman also said the 20-day strike wave, the worst in Poland in seven years, had caused the country a loss of 49.3 billion zlotys (about 105 million U.S. dollars).

**Announcement on Experimental Rocket Launching**  
*OW0709075488 Beijing XINHUA Domestic Service*  
*in Chinese 0630 GMT 7 Sep 88*

[Text] Beijing, 7 Sep (XINHUA)—XINHUA announcement: XINHUA is authorized to announce that the PRC will launch from 14 September to 3 October 1988 experimental carrier rockets in an area with a radius of 35-nautical miles, centering at 28 degrees and 13 minutes north latitude and 123 degrees and 53 minutes east longitude. For the sake of the safety of passing ships and airplanes, the Chinese Government urges the governments of countries concerned to notify their ships and airplanes not to enter the aforementioned area and the air space above from 1000 to 1700 Beijing time [0200 to 0900 GMT] everyday during the aforementioned period.

**Meteorological Satellite Launched From Open Site**  
*HK0709041688 Beijing ZHONGGUO XINWEN SHE*  
*in Chinese 0319 GMT 7 Sep 88*

[Text] Taiyuan, 7 Sep (ZHONGGUO XINWEN SHE)—China successfully launched an experimental meteorological satellite "Fengyun I" at 0530 this morning.

This satellite was launched by the newly made "Long March IV" rocket to geostationary solar orbit [jin yuan xing tai yang 6602 0955 1748 1132 7122].

The Taiyuan Satellite Launching Center, where the satellite was launched, has been open to the public for the first time.

By 1000 this morning, the apparatus of the satellite was operating normally.

Not long after the satellite entered the predetermined orbit, China's meteorological ground satellite station received meteorological information sent by the satellite. This indicates that the days when China had to purchase meteorological satellite information from other countries are gone forever.

Personages here believe that the successful launching of this satellite will provide valuable information for agricultural production and weather forecasts.

**Song Jian, Liu Huaqing Observe Launch**  
*OW0709035388 Beijing Domestic Service in Mandarin*  
*0200 GMT 7 Sep 88*

[By reporter Shi Qixin]

[Text] China successfully launched its first solar synchronous weather satellite with the No IV Changzheng [Long March] Carrier Rocket from the Taiyuan satellite launch center at 0530 [2030 GMT] on 7 September. The satellite entered the prescribed orbit smoothly, and the instruments on the satellite are functioning normally.

Shortly after the satellite entered its orbit, China's ground weather satellite station received meteorological data transmitted from the satellite. Currently, the Xian satellite tracking and control center and the State Meteorological Administration are tracking and testing the satellite in orbit according to schedule.

Song Jian, state councillor, Liu Huaqing, deputy secretary general of the Central Military Commission, and other leading comrades observed the satellite launch respectively at the Beijing Command Post of the Commission for National Defense Science, Technology, and Industry and at the Taiyuan satellite launch center.

After the satellite was successfully launched, the State Council and the Central Military Commission sent congratulatory messages to all the participants involved in the launch.

The weather satellite, named Fengyun [Winds and Clouds] No 1, is the first (?polar) orbit meteorological satellite ever designed and launched by China. It is equipped with two very high resolution scanner radiators which have five tracking channels for day and night surveying, mapping and taking pictures of clouds, earth surface, ocean color, water boundary, ocean surface temperature, ice and snow surface, and polar vegetation. The main task of the satellite is to obtain global weather data and to transmit it to ground weather stations all over the world. The satellite is also capable of detecting the composition of particles in the air for space physics study.

**Description of Satellite**  
*HK0709111388 Beijing ZHONGGUO XINWEN SHE*  
*in Chinese 0918 GMT 7 Sep 88*

[Text] Taiyuan 7 Sep (ZHONGGUO XINWEN SHE)—The meteorological satellite "Fengyun [Winds and Clouds] I" China has launched on 7 September is a solar synchrosonous meteorological satellite.

A solar synchrosonous satellite is different from a geostationary telecommunications satellite. It flies vertically in space above the two poles of the earth. Because its velocity is equal to the earth's revolution it passes the same point at the same time every day, thus being synchronous with the sun.

Because of these characteristics a meteorological satellite can obtain the satellite cloud map of a certain point at the same time every day by moving along an orbit synchronous to the sun, thus obtaining comparable meteorological data.

A meteorological satellite is the offspring of a series of high technologies, including space, remote sensing, computer, and telecommunication technology. When a meteorological satellite moves along a certain orbit in space it will observe the earth from a commanding position through its remote sensing system, and will obtain data



quite beyond regular observation means, while transmitting various meteorological data to ground receiving stations. This demonstrates the great advantages of a meteorological satellite. For example, when a typhoon is beginning to take shape the meteorological satellite will spot its existence, have a good view of its outward characteristics, ascertain its position and intensity, and track its route and direction of movement.

China has now become, after the United States and the Soviet Union, the third nation to launch a solar synchronous meteorological satellite.

#### Capability of Satellite

OW0709112788 Beijing XINHUA in English  
1111 GMT 7 Sep 88

[Text] Beijing, September 7 (XINHUA)—China launched its first experimental meteorological satellite from a satellite-launching center in Taiyuan, Shanxi Province, at 5:30 (Beijing summer time) today.

The satellite, "Fengyuan (Wind and Cloud) No 1", has entered the solar-synchronous orbit, with all meters and instruments functioning normally.

A satellite ground station has received meteorological information from the satellite, launched by a "Long March IV" Carrier Rocket.

The Xian Satellite Telemetry Center and the State Meteorological Bureau are testing the satellite according to plan.

The satellite is capable of surveying cloud charts in daytime and at night, earth's surface pictures, marine water color pictures, growth of vegetation, temperatures of the ocean surface, and coverage of ice and snow.

It is also capable of surveying the composition of particles in space.

It is designed primarily to gather global meteorological information and transmit the data to satellite ground stations worldwide.

In a message today, the State Council and the Central Military Commission extended congratulations to scientists, engineers, workers, officials, and officers and men of the People's Liberation Army, all of whom participated in developing and testing the satellite.

The successful launching of the satellite marks "fresh progress" made by China in space and meteorological satellite technology, the message said.

"This success is of great importance to promoting China's national economic growth and serves as an encouragement to people of all nationalities," it noted.

#### Information on Rocket, Launching Site

HK0709115288 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0914 GMT 7 Sep 88

[Information: 'Changzheng IV' Rockets and the Taiyuan Satellite Launching Center"]

[Text] Taiyuan, 7 Sep (ZHONGGUO XINWEN SHE)—The "Changzheng [Long March] No IV" rocket, with which China today launched a meteorological satellite, and the Taiyuan Launching Center, have both been used and made known to the world for the first time.

"Changzheng IV" rockets are a new type of rocket built by China after its "Changzheng I," "Changzheng II," and "Changzheng III" rockets. They are three-stage rockets that consume conventional propellants. Therefore, they are different from both the two-stage "Changzheng II" rockets and the "Changzheng III" rockets, which consume low-temperature fuels. "Changzheng IV" rockets can reach higher altitudes than rockets of the "Changzheng II" class and can be used to launch large satellites designed for medium-altitude [zhong gui dao 0022 6510 6670] and low-altitude orbits [di gui dao 0144 6510 6670]. The "Changzheng IV" rockets have been developed by the Shanghai Astronautics Administration.

The Taiyuan Satellite Launching Center was built in the 1960's and is situated northwest of Shanxi's Taiyuan City. It is the third satellite launching center China has openly put into use since its Jiuquan Satellite Launching Center and Xichang Satellite Launching Center. Taiyuan has been selected as a place for launching meteorological satellites because it will enable China to use the South-North satellite tracking and control network, which includes the Xian Satellite Tracking and Control Center, to effectively monitor and control satellites.

#### More on Launching

HK0709121488 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0916 GMT 7 Sep 88

[Report by Zhu Daqiang (2612 1129 1730): "China Successfully Launches Its First Meteorological Satellite With a 'Long March IV' Rocket"]

[Text] Taiyuan, 7 Sep (ZHONGGUO XINWEN SHE)—China launched its first solar synchronous [tai yang tong bu 1132 7122 0681 2975] meteorological satellite from the Taiyuan Satellite Launching Center in Shanxi, at 0530 Beijing summer time today, with a newly developed "Changzheng IV" [Long March IV] Carrier Rocket.

This meteorological satellite, named "Fengyun 1," with a weight of 750 kilograms and in the shape of a hexahedron, is the first polar orbit [ji di gui dao 2817 0966 6510 6670] meteorological satellite developed and launched by China on its own.

The "Changzheng IV" Carrier Rocket is a new-type, three-stage carrier rocket using conventional propellants. Compared with other rockets in the "Changzheng" series, this carrier rocket has incorporated some new technological breakthroughs. It will mainly be used to launch large satellites of various purposes into orbits at medium or low altitudes.

The Taiyuan Satellite Launching Center, which launched this meteorological satellite, is the third satellite launching field that has been put into operation in China. The Jiuquan Satellite Launching Center, which specializes in launching satellites into near-earth orbits [jin di gui dao 6602 0966 6510 6670], the Xichang Satellite Launching Center, which specializes in launching geostationary [jing di gui dao 7234 0966 6510 6670] satellites, and the Taiyuan Satellite Launching Center together form a full range of satellite launching fields in China.

The above-mentioned satellite has smoothly entered an approximately round solar-synchronous orbit [jin yuan xing tai yang tong bu gui dao 6602 0955 1748 1132 7122 0681 2975 6510 6670]. All the instruments installed in the satellite are functioning normally. China's meteorological satellite ground stations received meteorological data sent back by the satellite soon after it entered the prescribed orbit.

Meteorological satellite "Fengyun 1" is equipped with two very-high-resolution [shen gao fen bian 3928 7559 0433 6587] scanning radiometers. With five detecting channels, these scanning radiometers can produce cloud charts, earth surface charts [di biao tu xiang 0966 5903 0956 6272], and marine water color charts [hai yang shui se tu xiang 3189 3152 3055 5331 0956 6272], and show the border of a body of water [shui ti bian jie 3055 7555 6708 3954], ocean surface temperature, ice cover [bing xue fu gai 0393 7185 6010 5556], and vegetation cover [zhi bei sheng zhang 2784 5926 3932 7022], both in the day and at night. The satellite's major tasks are to collect meteorological data over China and around the world and to dispatch to all meteorological satellite ground stations all over the world digital cloud charts [shu zi liang yun tu 2422 1316 6852 0061 0956] with a sub-satellite point resolution [xing xia dian fen bian lu 2502 0007 7820 0433 6587 3764] of 1.08 km in the HRPT form and analog cloud charts [mo ni liang yun tu 2875 2362 6852 0061 0956] with a resolution of 4 km in the APT form. In addition, this satellite can also detect the composition of particles in the sky, and thus provide data for the study in space physics.

According to meteorological experts who took part in the launching operation, this meteorological satellite, after being officially put into operation, will play an important role in enhancing China's weather forecasting ability, especially its ability to monitor and forecast disastrous weather.

#### Staff Congratulated on Launch

OW0709121488 Beijing XINHUA Domestic Service  
in Chinese 0814 GMT 7 Sep 88

[Text] Beijing, 7 Sep (XINHUA)—Today the State Council and the Central Military Commission cabled the entire staff who participated in China's weather satellite research and testing, congratulating them for the successful launch of China's first weather satellite. The following is the text of the message:

To all comrades who participated in our nation's research and testing of weather satellite:

With the approach of our 39th national day celebration, China has successfully launched its first polar-orbiting weather satellite, developed entirely on its own. This is the result of your vigorous cooperation and united struggle in implementing the policy of independence and self-reliance under the guidance of the party's basic line since the 3d Plenary Session of the 11th CPC Central Committee. The State Council and the Central Military Commission extend the warmest congratulations and solicitude to all the scientists, engineers, workers, cadres, and officers and men of the PLA who have participated in developing and testing the satellite.

The successful launch of this satellite has filled a blank page regarding applied weather satellites in China, symbolizing a new step forward in China's space and weather satellite technology. It has significant importance in promoting the growth of our national economy, and serves as encouragement to people of all nationalities throughout the nation.

We hope you will be modest and prudent, and strive to make greater contributions towards the four modernizations of China.

The State Council and the Central Military Commission  
7 Sep 1988

#### Zhao Ziyang Said Deprived of Economic Power

HK0709084188 Hong Kong SOUTH CHINA  
MORNING POST in English 7 Sep 88 p 9

[By Terry Cheng]

[Text] Communist Party chief Mr Zhao Ziyang's powers of decisionmaking over the economy have been taken away in a new division of work among top leaders made during a recent Politburo meeting, according to a leading magazine.

The Chinese edition of ASIAWEEK reported in its latest issue that Mr Zhao, the chief promoter of China's economic reforms since the early 1980s, was now only left his work in the Central Military Commission. He is the first vice chairman of the body.

Decisionmaking over the economy has been now handed over to Premier Li Peng and Senior Vice Premier Yao Yilin, both considered conservative.

Another two members of the Politburo Standing Committee, Mr Qiao Shi and Mr Hu Qili, are to continue in their present duties. The former looks after party affairs while the latter is responsible for propaganda, cultural and ideological work.

ASIAWEEK said the conservative leaders had also attacked the disgraced former general secretary, Mr Hu Yaobang.

They charged that the present difficulties were due to earlier blunders committed under the dual leadership of Mr Hu and Mr Zhao.

By castigating Mr Hu, they hoped to uproot a still influential group within the party which comprises members of the Communist Youth League formerly headed by Mr Hu.

In response, Mr Hu had refused to attend the Beidaihe meeting and chose to stay in Beijing for treatment of an eye ailment.

The new division of work in the Politburo Standing Committee was forced by the members of the old guard who were said to be unhappy with Mr Zhao's drive to speed up economic reforms.

The party secretary general and his like-minded advisers also wanted to push through radical price and wage reforms.

ASIAWEEK said members of the old guard, such as Mr Bo Yibo, member of the Central Advisory Commission, and Mr Wang Zhen, the vice state president, had allied with some younger leaders advocating a more prudent course of reform.

They accused Mr Zhao of introducing too many Western market mechanisms and felt that the economy should be stabilized before undertaking any major reform.

The Chinese leaders were to work out a plan for price reform at the Beidaihe talks in July.

But a month before the meeting, members of the conservative coalition tried to convince veteran leader Mr Deng Xiaoping that Mr Zhao's radical plan was responsible for the country's inflation problems.

The spate of panic buying, bank runs and demonstrations were signs of a pending disturbance, they argued.

Under pressure, Mr Deng reportedly remarked: "In Beidaihe, I will not protect anyone. If the situation worsens, the general must get killed."

ASIAWEEK said the general referred to was Mr Zhao.

However, some left-wing observers in Hong Kong doubted the reported serious confrontation between Mr Zhao and his more conservative colleagues.

"They may have differences in the speed of the economic reform, but they are not as serious as reported overseas," one said.

The report in ASIAWEEK is similar to a report in the magazine CHENG MING earlier this week.

#### Said Absent From Talks With Carlucci

HK0709045188 Hong Kong SOUTH CHINA  
MORNING POST in English 7 Sep 88 p 1

[From Seth Faison in Beijing]

[Text] United States Defence Secretary Frank Carlucci yesterday met top Chinese military officials, but the Americans organising the trip were surprised to find that Communist Party General-Secretary Zhao Ziyang was not in on the talks.

As vice-chairman of the powerful Central Military Commission, Mr Zhao had been expected to meet Mr Carlucci, who saw Prime Minister Li Peng yesterday and meets senior leader Deng Xiaoping this morning.

Mr Zhao has reportedly been under attack within the party for economic policies that have brought high inflation, bank runs and widespread panic buying.

However, Mr Carlucci's predecessor, Mr Caspar Weinberger, did not meet then-party General-Secretary Hu Yaobang, during a visit to Beijing in October 1986.

Mr Zhao was seen greeting Czechoslovak President Gustav Husak on Sunday's television news and last week he appeared fit and in good spirits to play golf in Beijing.

Although the Ministry of Defence did not inform U.S. officials of a final schedule for Mr Carlucci's meetings with top leaders until late on Monday night, the ministry is said to frequently arrange meetings at the last minute.

A spokesman at the Liaison Department of the Communist Party said it played no part in organising Mr Carlucci's meetings and affirmed that Mr Zhao's position in the party was unchanged.

Officials at the Defence Ministry were not available for comment.



**Official Explains Need for New State Secrets Law**  
*OW0709115688 Beijing XINHUA in English*  
*1123 GMT 7 Sep 88*

[Text] Beijing, September 7 (XINHUA)—China will tighten control of official secrets and impose severe penalties according to law on acts of harming state security by leaking state secrets, a senior official in charge of state secrets said here today.

To strengthen the country's management over state secrets, a new State Secrets Bureau has been recently set up under the State Council, replacing the former Central Secrets Commission, the official told a press conference, with the approval of the Communist Party's Central Committee.

With the increasing international exchanges and cooperation since China opened its doors to the outside world in 1979, various forces in and outside China have increased their efforts to collect information on the country, the official said. Moreover, some Chinese have sold or illegally provided state secrets to foreigners.

Statistics show that 80 percent of cases of revealing state secrets in recent years involved providing state secrets to overseas institutions, organizations or individuals, and some of them have severely damaged the country's security and interests.

Though China's central government issued a set of provisional regulations on maintaining state secrets in 1951, the regulations and some relevant provisions in the "Criminal Law", passed in 1979, cannot meet the needs of the current complicated situation, the official said.

According to him, the newly promulgated State Secrets Law and an additional regulation for punishment of criminals revealing state secrets, which won the nod from the Standing Committee of the National People's Congress Monday, will provide heavier penalties for those leaking and stealing state secrets.

Those who steal, buy or otherwise illegally leak state secrets in serious circumstances shall receive imprisonment or even the death penalty, along with deprivation of political rights, the additional regulations stipulate.

Guarding state secrets is the duty of every citizen, the official went on. "Whoever is involved in serious cases of intentionally revealing state secrets will bear criminal responsibility, no matter how high his rank," he pointed out.

The work of keeping state secrets should also be reformed and improved, he said. It should suit the needs of the country's present reform and opening to the outside world; it should help promote the openness of government work while preventing possible revealing of secrets involving major decisionmaking in state affairs.

It is learned that the State Secrets Bureau, together with other relevant departments, is mapping out implementation details of the State Secrets Law, which will go into effect May 1, 1989.

**Civil Aviation Body Official Criticizes Service**  
*HK0609091888 Beijing RENMIN RIBAO in Chinese*  
*3 Sep 88 p 1*

["Today's Talk" by Zhong Huai (6988 2037): "The Awakening of CAAC"]

[Text] At a meeting of departments connected with civil aviation, a responsible person of the CAAC [Civil Aviation Authority of China] made a basic appraisal of the quality of the CAAC's air service this year: The quality of service has declined compared to the service provided before the reorganization last year. The CAAC now offers a lower level of service compared with various airline companies in the world and Asia.

The CAAC's regular delays and poor service, among other things, are a "deep-rooted, big, and difficult" problem, inviting constant criticism from Chinese and foreign passengers. The CAAC authorities have made self-criticisms about this. However, it seems that this is the first time they frankly admitted that their service is "substandard."

It is a bit embarrassing to admit this, but this truly is a fact. I have two examples to cite. On one occasion, a scheduled CAAC flight from Guangzhou to Harbin changed its destination to Chengdu without notifying the passengers in advance. On another, a Beijing office of a foreign company wrote four letters to book some tickets on CAAC and never received a reply. If this service is not poor, what is it?

At the meeting, the responsible person of the CAAC loudly appealed to all employees: "All CAAC employees, from leaders to ordinary staff members, should feel ashamed if they still have an iota of national self-respect. They should be determined to change this backward situation as quickly as possible."

CAAC serves as an important window through which to view our country. Its poor reputation brings shame to our country and discredits our reform and opening up. All members of the CAAC, leaders at all levels in particular, should truly feel ashamed.

"Knowing shame is akin to courage." Daring to face reality and to admit backwardness means that the CAAC is awakening. People hope that the CAAC will make obvious progress starting right now.

**CPC Debates Admitting Millionaire Entrepreneur**  
*OW0609130288 Beijing XINHUA in English*  
1147 GMT 6 Sep 88

[Text] Shenyang, September 6 (XINHUA)—Should a millionaire be allowed to join the Communist Party of China?

It's a question the party has never had to address since its founding in 1921.

But it's a question that is arousing much debate among grass-roots party organizations in northeast China's Liaoning Province.

The focus of attention is Liu Xigui, a 34-year-old farmer in rural Shenyang, the provincial capital.

Nine years ago Liu, using his own savings and loans, contracted an old truck from a local unit.

His private transport business flourished. Today his company has a fleet of 49 motor vehicles and 240 employees. Fixed assets are worth 5.2 million yuan.

Although Liu has demonstrated he is a good citizen by handing over more than a million yuan to the state in taxes and donating 300,000 yuan to local welfare departments, his application to join the party has so far not been accepted.

"I became rather confused whether the party should accept an affluent private business owner or not," said an official in charge of the provincial party affairs.

According to the party Constitution, members should be advanced elements of the proletariat, he noted. They can't seek personal gains or privileges outside the scope prescribed by the Constitution.

The debate about cases like Liu's has spread to many parts of the country, with the interest fed by the rapidly growing private sector which now totals 115,000 businesses having at least eight employees each.

Hundreds of party members have written to the provincial party committee supporting Liu.

"The vanguard role of a millionaire, who leads his villagers to fight for common prosperity, is greater than a party member in name," wrote one from the Datong Railway Administration in Shanxi Province.

Several have commented it is not fair to reject private business owners just because they have more personal property than others.

Others have argued, however, that most of the property of the millionaires was acquired by squeezing the surplus value of workers they employed. That's exploitation, they said.

They contend it is ridiculous to think that an exploiter with large amounts of surplus value could become a communist and devote his life to the elimination of the exploitation system.

The Liaoning Provincial CPC Committee has invited wide-ranging discussion but has yet to come up with a clearcut statement.

A committee official said the city's Dongling district branch where Liu applied has the right to decide whether to admit him or not.

But the branch itself is obviously divided. A deputy head said it was unimportant that an applicant for party membership should employ workers or not.

The income he earns comes of his own labor and is legitimate since the central party authorities encourage the development of private economy in China, he said.

**Public Security Ministry Circular on Honesty**  
*OW0309053588 Beijing XINHUA Domestic Service*  
in Chinese 1127 GMT 2 Sep 88

[Text] Beijing, 2 Sep (XINHUA)—The Ministry of Public Security recently issued a circular, urging public security organs at all levels to perform duties with honesty.

The circular said: The public security organs, as an important means for exercising the people's democratic dictatorship and with the special powers of cracking down on crime and maintaining public order, have a direct bearing on ensuring the security of the state and the people and winning popular support for the government. A central leading comrade recently pointed out that it is necessary to advocate honesty in performing official duties among public security organs.

The circular said: The ranks of public security personnel have improved their discipline and style through consolidation and construction in recent years. Their mainstream is good, and the overwhelming majority of cadres and police observe the law and discipline, and are clean, honest, and hardworking in executing duties. However, a handful of cadres and police corrupted the reputation of public security organs and the image of People's Police by abusing their powers and bending the law for personal gains, offering and accepting bribes, and by extortion. This merits our keen attention. We must, in line with the instruction of the party Central Committee and the State Council, give top priority to honesty in performing duties and make serious, solid, and sustained efforts to carry out this important task.

Based on actual conditions of the work of public security organs and complaints made by the masses of people, the circular called on all public security cadres and police and armed police commanders and fighters to especially observe the following rules for keeping public security

organs clean and honest: 1) They should not bend the law or practice favoritism while handling criminal cases and cases involving public security, and in detaining and supervising criminals. 2) While maintaining public order and managing transportation, they should not abuse their powers by seeking personal gains or imposing fines indiscriminately. 3) They should not ask for or accept bribes while examining and approving residence cards, exit and entry permits, or other documents and licenses. 4) They should not use their special powers for public security and armed police personnel to set up businesses and enterprises, or engage in speculation and smuggling. 5) They should not exploit the opportunity of managing money and supplies to engage in graft and larceny through embezzling public property or appropriating money and articles that are confiscated or found. 6) While performing official duties, they should not ask for or accept gifts, attend dinners, or seek illegitimate income. 7) They should not view nor keep pornographic tapes and books or other obscene articles under any circumstance. 8) They should not use public funds to give dinners and gifts, take leisure trips, or engage in waste and extravagance. It is necessary to resist, stop, or report to higher authorities anyone derelict of duty in violation of the above rules.

The circular said: In order to comply with these rules, public security organs at all levels should earnestly implement the following measures: emphasize education in honesty in executing official duties, establish and improve the rules and regulations for keeping government clean and honest, strengthen supervision in all fields, duly investigate and punish violations of discipline, and have leading organs and cadres set good examples.

### Sixth National Women's Congress Continues

#### Discusses 'Woman's Place'

OW0309204588 Beijing XINHUA in English  
1505 GMT 3 Sep 88

["A Woman's Place Is Certainly Not in the Kitchen"—XINHUA headline]

[Text] Beijing, September 3 (XINHUA)—A woman's place is most definitely not in the kitchen, representatives of the National Women's Congress say.

A woman who can only ask, "What do you want to eat, dear?" Is not in step with the times, Luo Baosen said at a forum attended by 23 women factory directors.

Luo, 52, who runs the Sichuan Electric Welding Machine factory with 2,000 employees, said if a woman worker insists her first place is in the home "she will be the first to be fired."

An Baodong, director of the Beijing Ornaments Factory said that in a commodity-based economy there is no clear distinction between men and women in the workplace.

The only time she became aware of her sex at work was when she was in great frustration and got a warm hand from the women's federation, she said.

Many at the forum complained of inequalities. They said the practice of distributing houses only to men is totally wrong.

They said regulations forcing women workers to retire five years earlier than men is unreasonable especially since women live longer.

They noted many enterprises don't like to employ women, although four of the factory directors agreed with the practice.

Liu Ping, manager of Guangzhou Automobile Corporation, said women have "many troubles" caused by their physiology and childbearing responsibilities. These affect the economic benefits of a company, she said.

"Unless women can get compensation and the state can reduce the tax on women workers, we heavy industrial factories prefer male workers," she said.

Two representatives from Hong Kong and Macao offered some different kinds of insights.

Rebecca Lee, general manager of the Adasia Limited Company from Hong Kong has travelled to more than 80 countries and is the first woman to visit both South and North Pole.

"Compared with the other countries, I have the impression that the status of women inland is very high," she said.

"In Hong Kong, men never do household work," she said. "But here, men often do the cooking. It is really quite touching."

Huo Dingyi, a large company manager from Macao said women in Macao don't pamper themselves as they may do here.

"Women go to work soon after they give birth. Their salary is determined by their work output," she said.

Children in Macao become independent earlier, too, she said.

On China's mainland, however, more and more only children are being spoiled. They do not do any household work and just become another part of their mother's household burden, she said.



**Notes Decrease in Women Officials**  
*OW0309212888 Beijing XINHUA in English*  
1445 GMT 3 Sep 88

[Text] Beijing, September 3 (XINHUA)—The declining rate of women officials in government bodies is worrying delegates at the National Women's Congress under way here.

"Without women's participation in state affairs, it will be difficult to address many specific questions relating to women," said Professor Zhang Suwo, a member of the Standing Committee of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang.

Women only make up five percent of the leading bodies at provincial, prefectural and county levels and are subject to discrimination in the home, schools and workplace.

"To change the situation, we must get rid of feudal concepts which have bound people, women in particular, for thousands of years," said Hao Zhichun, vice-chairman of the Jiusan Society, one of China's democratic parties.

She said women assume the task of human reproduction, a glorious duty, but society looks to it as a point of vulnerability.

"Women's participation in state affairs concerns the orientation of the women's movement," said Guo Mingqiu, a retired official and women's activist for more than 20 years.

The status of women does not correspond to the contributions they make to social production, she said.

**Examines Constitutional Amendments**  
*OW0409140388 Beijing XINHUA Domestic Service*  
in Chinese 1428 GMT 2 Sep 88

[By reporters Sun Yong and Zhang Sutang]

[Text] Beijing, 2 Sep (XINHUA)—The Sixth National Women's Congress of China held second session of its presidium this morning

Wang Deyi, secretary of the Secretariat of the Fifth Executive Committee of the All-China Women's Federation, gave a few explanations about amending the Constitution of the federation at the meeting. It is learned that the Constitution will be submitted to the representatives of the Sixth National Women's Congress for examination and approval.

Wang Deyi said: The newly formulated Constitution of the All-China Women's Federation mainly makes some amendments to the nature, functions, policy, tasks, and primary organizations of the women's federation in the light of the new situation under reform and the open

policy. The new Constitution of the women's federation also intends to add the following articles: having an additional honorary president for the All-China Women's Federation; establishing basic-level women's organizations in village and town enterprises as well as in the neighborhood enterprises; implementing the election system in which the number of candidates is greater than the number of deputies to be elected for leading cadres of women's federation at all levels, the terms of office of leading cadres is generally no more than two, and the practice of employment and appointment of working personnel is implemented gradually; and encouraging the organization of women's federation to unfold some activities in line with local conditions in a bid to promote further development of the causes of women and children.

Wang Liwei, secretary of the Secretariat of the Fifth Executive Committee of the All-China Women's Federation, explained about the pattern of the insignia of the federation.

Chen Muhua, executive chairman of the Presidium of the congress, presided over today's meeting. Kang Keqing attended the meeting.

**Elects New Federation Leaders**  
*OW0509180888 Beijing XINHUA in English*  
1330 GMT 5 Sep 88

[Text] Beijing, September 5 (XINHUA)—Vice-Chairman of the Standing Committee of the National People's Congress Chen Muhua was elected chairman of the All-China Women's Federation today.

Former chairman Kang Keqing was elected honorary chairman of the federation.

The new Executive Committee of the federation today also elected Zhang Guoying, Huang Qizao, Lin Liyun and seven other people vice-chairmen of the federation.

Chen Muhua, 67, once served as vice-premier, minister in charge of the State Family Planning Commission, chairman of the Central Patriotic Public Health Campaign Committee, minister of foreign economic relations and trade, state councillor and governor of the People's Bank of China.

She was elected vice-chairman of the Standing Committee of the National People's Congress in April this year.

Representatives who are attending the Sixth National Women's Congress said they are expecting that the new leader will help let their voices be heard more directly by the NPC and will boost the role of the federation in protecting the lawful rights of women and children.

The six-day congress will close tomorrow.

**Women's Federation Committee Namelist**  
*OW0509152488 Beijing XINHUA Domestic Service*  
*in Chinese 1546 GMT 4 Sep 88*

[Text] Beijing, 4 Sep (XINHUA)—The Sixth National Congress of the China Women's Federation held a plenary session in Beijing today. Some 1,100 delegates to the congress elected, through secret ballot and multiple candidate vote, 300 members of the Sixth Executive Committee of the All-China Women's Federation. Namelist follows:

Ding Fuying [0002 5346 5391], Ding Xiang [0002 4382 1230], Ding Zhenhua [0002 6966 5478], Dao Meiyang [0430 5019 5391], Yu Yuwen [0060 3768 2429], Wan Yuning [8001 0061 5391], Ma Yuan, Ma Yutao [7456 3768 3447], Ma Ningjiu [7456 1337 5468], Ma Xiuping [7456 4423 5493], Ma Chune [7456 2504 1230], Ma Danzhi [7456 0083 2535], Wang Qun [3769 5028], Wang Weidong [3769 5898 2539], Wang Zhiqiu [3769 0037 3808], Wang Keli [3769 0668 4539], Wang Liwei, Wang Yuxiang [3769 3768 7449], Wang Qiaozhang [3769 1564 3864], Wang Shouchu, Wang Nongsheng, Wang Xiulin [3769 4423 3829], Wang Ruobing [3769 5387 0393], Wang Baoling [3769 1405 3781], Wang Sufen [3769 4790 5358], Wang Zhenying, Wang Taozhen [3769 2711 3791], Wang Shuhua [3769 3219 5478], Wang Shuxian, Wang Juzhen [3769 5468 3791], Wang Kaihua [3769 0418 5478], Wang Huanchen, Wang Huangui [3769 3562 6311], Wang Deyi, Wei Yu, Zhi Meiyang [2388 5391 5019], Mao Zhifeng [3029 2535 7346], Wu Lihan [3527 0500 3063], Wu-yun-qi-mu-ge [3527 0061 0366 2606 2706], Wen Zhengzhi [2429 2973 5347], Fang Liluo [2455 0196 3157], Yin Lanze [1438 5695 3419], Yin Guoyuan [1438 0948 1254], Kong Lingzhi [1313 0109 2535], Deng Hongren [6772 1347 0088], Deng Ruizhen [6772 3843 3791], Gu-li-han Kan-ji [0657 7787 3063 0974 0679], Shi Wenling [4258 2429 3781], Shi Qinghua [4258 1987 5478], Bian Maoji [0593 3029 0679], Lu Leshan [4151 2867 1427], Lu Yuzhu [4151 3768 3796], Lu Yinghui [4151 3853 6540], Ye Peiying, Tian Mei [3944 2734], Tian Guanghua [3944 0342 5478], Tian Suqing [3944 4790 3237], Tian Shulan [3944 3219 5695], Shi Qingqi [0670 3237 3825], Bao Meie [0545 5019 1230], Bao Sulan [0545 4790 5695], Kuang Yutong [6782 1342 0681], Feng Lin [7458 3829], Feng Shugeng [7458 2579 5087], Feng Yulan [7458 3768 5695], Feng Zhongyun [7458 6988 5366], Feng Guizhuang [7458 27108369], Feng Lida [7458 3810 6671], Situ Jian [0674 1778 1017], Xing Zhikang, Cheng Junzhi [2052 0193 5347], Lu Yuezhen [0712 2588 6297], Zhu Youlan, Zhu Manfang [2612 2518 5346], Zhu Shuwen [2612 3219 7186], Zhu Lixuan [2612 3810 3872], Wu Zengrong [0124 1073 2837], Ren Fang [0117 0119], Hua Maocuo [5478 3029 2238], Hua Shufang [5478 3359 5364], Hua Fuzhou [5478 4395 0719], Zhuang Lique [8369 3966 3825], Liu Zheng [0491 1767], Liu Jing [0491 7234], Liu Dongzhi [0491 2639 5347], Liu Xiurong [0491 4423 2837] (Ministry of Culture), Liu Xiurong [0491 4423 2837] (Hebei), Liu Xiuying [0491 4423 5391], Liu Xiuyun [0491 1485 0061], Liu Liying, Liu Meizhen [0491 5019 3791], Liu Meiling [0491 5019 3781], Liu Miquan [0491 1736 5028],

Liu Shuyuan [0491 3219 1254], Ci-ren-yang-jin [2945 0088 1135 6855], Guan Tao, Jiang Yiman [3068 0076 2581], Sun Boqiu [1327 2672 4428], Sun Huishu [1327 1920 2579], Ji Lingzhi [4764 3781 5347], Mayenur Ha-simu [3854 0181 0505 1422 0761 2448 2606], Yan Ruxian [0917 3067 6300], Wu Changzhen, Li Lan [2621 5695], Li Fen [2621 2659], Li Guo [2621 2654], Li Fenglian [2621 7364 5571], Li Huahua [2621 5478 5478], Li Rubing [92621 1172 0393], Li Yanzhi [2621 1693 5347], Li Xiaofang [2621 1321 5364], Li Xiuyun [2621 1485 0061], Li Mingli [2621 2494 7787], Li Baolian [2621 1405 5571], Li Bingxun [2621 4426 6064], Li Qiufang [2621 4428 5346], Li Gangzhong, Li Xiaolin [2621 2556 2651], Li Xueying, Li Meiju [2621 2734 5468], Li Shuqin [2621 3219 3830], Li Shuqin [2621 3219 0530], Li Hongquan [2621 7703 3123], Li Bixian [2621 4310 63], Li Derong [2621 1795 2837], Yang Ling [2799 3781], Yang Yixing [2799 0001 2501], Yang Zhengchu [2799 2973 0443], Yang Chugui, Yang Yingliu [2799 2019 9497], Yang Zhaorong [2799 2507 1369], Yang Yanyin, Yang Suqin [2799 4790 3830], Yang Biru [2799 4310 1172], Yang Deqiu [2799 1795 4428], Wu Yulan [0702 3768 5695], Wu Jingchun [0702 2529 2504], Wu Binjiang [0702 3453 3068], Wu Xiaozhen [0702 4607 3791], Qiu Zhonghui, He Qinggui [0149 0615 2710], Yu Xiuying [0151 4423 5391], Zou Shiming [6760 1102 2494], Zou Deci [6760 1795 1964], Ying Yili [2019 0122 7787], Wang Aili [3076 1947 7787], Shen Lizhen [3088 5461 6297], Shen Meifei [3088 2734 7236], Song Yuying [1345 5148 5391], Zhang Yan, Zhang Tao [1728 3447], Zhang Lanying [1728 5695 5391], Zhang Yubin [1728 3768 1755], Zhang Lian [1728 4409 1344], Zhang Fuhua [1728 0126 5478], Zhang Yanjun [1728 1693 6511], Zhang Chengfen [1728 2110 5358], Zhang Zhilin [1728 1807 2651], Zhang Lianzhen [1728 6647 3791], Zhang Xiurong [1728 4423 4823], Zhang Xiuqin [1728 4423 3830], Zhang Baohua [1728 1405 5478], Zhang Zeli [1728 3419 5461], Zhang Miman, Zhang Jieyu [1728 3381 3842], Zhang Shuzhen [1728 2885 2830], Zhang Guiyun [1728 2701 0061], Zhang Xiaolan, Zhang Suwo [1728 4790 2503], Zhang Qianling [1728 0241 3781], Zhang Jianli [1728 0369 5461], Zhang Guoying, Zhang Yueqin [1728 6460 3830], Zhang Yingjie [1728 4481 2683], Zhang Mengna [1728 5536 4780], Zhang Dechun [1728 1795 2504], Zhang Jixiang [1728 4694 7449], Ngapoi Cedain Zhoigar, Chen Fengying [7115 7685 5391], Chen Yuezhen [7115 2588 3791], Chen Qiaolan [7115 1564 5695], Chen Yibin [7115 0076 1755], Chen Zhifang [7115 1807 5364], Chen Zhongying [7115 6988 5391], Chen Genfeng [7115 2704 7685], Chen Hailian [7115 3189 5571], Chen Xunzhen [7115 1575 3791], Chen Jinshu [7115 6930 0209], Chen Muhua, Chen Cuiying [7115 5050 5391], Chen Bizhen [7115 3880 3791], Miao Xinghua [5379 5281 5478], Miao Shuju [5379 3219 5468], Fan Chongyan [5400 1504 1166 " 3601], Lin Chai [2651 6865], Lin Liyun [2651 7787 5666], Lin Mingyue [2651 2494 2588], Lin Shangzhen [2651 1424 6297], Yu Wenqing [6735 2429 3237], Zhuo Biyu [0587 4310 3768], Luo Boxin [5012 2672 1800], Yue Shishu [1471 0013 3219], Jin Lihui [6855 7787 1920], Jin Rongxiang [6855 2837 7449], Jin Yanjing [6855 3601 7234], Zhou Suwen [0719 5685 2429], Zhou Juying [0719 5468 5391], Zheng Li

[6774 0500], Zheng Guangdi [6774 0342 6611], Zheng Deyuan [6774 1795 0337], Fang Ying [2075 5391], Meng Xiangyan [1322 4382 1750], Jing Puchun [4842 2528 2797], Zhao Xiaoying [6392 1420 5391], Zhao Xiuying [6392 4423 5391] (Ningxia), Zhao Suying [6392 4790 5391], Zhao Shumin [6392 3219 2404], Zhao Jingzhao [6392 2529 2507], Zhao Jinying [6392 6930 5391], Hao Bin [6787 2430], Hao Yichun [6787 6095 4783], Hao Zhiping [6787 3112 1627], Hao Jinrong [6787 6855 2837], Hu Tianchun [5170 1131 4783], Hu Yulin [5170 3768 2651], Hu Qiheng [5170 0796 1854], Hu Huie [5170 1979 1230], Duan Huomei [3008 3499 2734], Xiu Ruijuan [0208 3843 1227], Yu Shu [0358 3219], Shi Ruzhang [2457 1172 3864], Wen Guirong [5113 2710 2837], Fei Shuqin [6316 3219 3830], Qin Zisheng [4440 5261 3932], Ban Yuanxiu [3803 6678 4423], Yuan Da [5913 6671], Nie Li [5119 0500], Jia Wenjuan [6328 2429 1227], Xiamixikamaer Zuneng [1113 4717 6007 0595 7456 1422 4371 5174], Gu Pei [7357 0160], Gu Derong [7357 1795 2837], Qian Xiuzhen [6929 4423 3791], Tie Ning [6993 0413], Ni Haomei [0242 6275 2734], Xu Ming [1776 2494], Xu Lu [1776 3826], Xu Zhijun [1776 1807 6511], Xu Sufen [1776 4790 5358], Gao Wenlan [7559 2429 5695], Gao Suzeng [7559 4790 2582], Guo Nanzhu [6753 2809 4542], Tang Minyi [0781 2404 0001], Yixi Zhuoma [4135 6007 0587 3854], Hailiqiemu Silamu [3189 0500 0011 1191 2448 2139 2606], Rong Mingming [1369 2494 2494], Lang Teng [2597 7506], Huan Guoying [1360 0948 5391], Huang Zhi [7806 4930], Huang Junjun [7806 6511 6511], Huang Yali [7806 0068 7787], Huang Qizao [7806 0796 3884], Huang Meiling [7806 5019 3781], Huang Yejun [7806 8518 0689], Huang Huiqun [7806 1920 5028], Huang Fuxiang [7806 4395 7449], Xiao Rong [5618 2827], Cao Fenghe [2580 7364 0735], Cao Xiurong [2580 4423 2837], Cao Huiying [2580 1920 5391], Cao Ruiwu [2580 3843 2976], Cao Xinyi [2580 7451 0308], Gong Guangwen [7895 0342 2429], Fu Guihua [4569 2710 5363], Pan Zimei [4149 1311 5019], Kang Ling [1660 3132], Kang Yingqu [1660 2503 5608], Yan Ying [7051 4481], Liang Weiling [2733 4850 3781], Tu Youyou [1458 0717 0717], Ge Cuilin [5514 5050 3829], Dong Zenghua [5516 2582 5478], Cheng Shuqin [4453 3219 3830], Shu Hongjin [5289 7703 6930], Ranba Yangjinzhuoga [3544 1572 1135 6855 0587 0867], Zeng Shaoxian [2582 4801 0341], Zeng Xingqiong [2582 1630 8825], Xie Bingzhang [6200 0393 3864], Zhen Xiaoying [3914 1420 5391], Cai Ximei [5591 6932 2734], Liao Shilun [1675 0013 0243], Liao Yuzhen [1675 3768 3791], Liao Jingwen [1675 7234 2429], Pan Changyu [3382 7022 3768], Pan Guiyu [3382 6311 3768], Huo Yazhen [7202 0068 6297], Huo Maozheng [7202 2021 1767], Dai Shuqing [2071 3219 3237], Wei Bin [7614 1755] and Wei Tingdong [7614 1656 2767].

#### Congress Ends

OW0609140488 Beijing XINHUA in English  
1045 GMT 6 Sep 88

[Text] Beijing, September 6 (XINHUA)—The National Women's Congress ended its six-day meeting here today with a call by Chen Muhua, the newly-elected chairman

of the All-China Women's Federation, for women to play a bigger role in the social progress and economic development of the country.

"The ongoing reforms will help women become more liberated and the liberation in turn will promote the reforms," she said.

She said women should strive to work harder to improve their political and professional quality, enhance their sense of competitiveness, and handle family and career relations in a better way.

The six-day congress set out guidelines and tasks of the women's movement, developed a blueprint for restructuring the All-China Women Federation, revised rules and regulations of the women's union and elected new leaders of the federation.

Chen praised the 1,200 deputies to the congress for their constructive suggestions and for making the congress lively and successful.

#### Women's Role in Workplace Being Reexamined

OW0509231188 Beijing XINHUA in English  
1354 GMT 5 Sep 88

["New Labor System Encourages Women To Spend More Time at Home—XINHUA headline]

[Text] Beijing, September 5 (XINHUA)—China has long taken pride in its high rate of female employment. But this decades-long concept is now being challenged by some factories which encourage their women staffers to spend more time at home to take care of children and household chores.

Shenyang City in northeast China, Henan Province in central China and Zhuzhou City in the south have trial-introduced a new labor system, called "period employment for women workers".

Under the system, women workers can ask for leave for as long as up to seven years in the period from the beginning of pregnancy to the day their children enter primary school.

During the official three-month maternity furlough they are paid in full, while for the remainder of the long leave they are paid 70 percent of their basic salaries.

The length of the leave is determined by women workers themselves according to their specific conditions. If they wish, they may also retire at the age of 40 or 45, as compared with the present retirement age of 55.

Ever since the founding of the People's Republic in 1949, a high female employment rate has been regarded as an important indicator of equality between men and women, as well as an advantage of socialism.



Women practically do the same job and work the same hours as their male colleagues, who retire at the age of 60.

"Although I felt very weak and vomited a lot after pregnancy, I had to work full-time since the maternity leave only begins 15 days before the due date of the childbirth," recalled Liu Lijun of the Zhuzhou Sparking Plug Factory, where the new system is in practice.

She said that as she could not fulfill the quota, she was left out of the bonus payroll. Wu Zaiqui, another woman worker, described how difficult it was to take care of her child when it was small.

"All the more than 100 women workers in my workshop support the adoption of period employment," another worker, Huang Fuzhen said, calling it "a second liberation of Chinese women."

In Shenyang, capital of Liaoning Province, 6,700 women have asked for the long leave and early retirement.

The system coincides with China's present effort to cut down surplus employees, commonly viewed as a major [words indistinct] enterprises. Since the country has been adhering to the policy of "low wages and high employment rate", surplus employees number currently as many as 20 million across the country.

Experts predict that at least nine million among the 31.66 million women workers in industrial and commercial enterprises can be dropped.

Calling for a change of concept on the employment of women, a recent ECONOMIC DAILY commentary said that at present when the productive forces are still low and housework has yet to be made mechanized, employment alone cannot lead to the liberation of women in the real sense.

However, some people fear that the practice may give rise to new sex discrimination. In places where it is being implemented, opposition comes, first of all, from local women's federations, which are responsible for protecting women's rights and interests.

An undeniable fact is that women's working years will be reduced greatly to, maybe, just 15 to 20. As the average life span for Chinese women is 75 years, their period for subsidies and pensions would then amount to 30 to 40 years or more.

That will undoubtedly impose a heavy burden on enterprises with women as their major workforce, such as cotton mills.

In fact, since Chinese enterprises are placing more and more emphasis on economic efficiency, some of them have already shown little interest in women workers.

A survey by the All-China Federation of Trade Unions indicates that only 5.3 percent of enterprise leaders are willing to recruit women. In some cities, unemployed young women make up 80 percent of the entire unemployed youth.

The problem has caught the attention of governments in experimental areas. Some theorists suggested that child allowances should be raised and the tax rate for enterprises be adjusted according to the proportion of women employed.

The City of Nantong in Jiangsu Province has begun to raise child allowances by making every working employee pay 20 yuan annually into a special fund, which will use the money to compensate enterprises for the subsidies they give women workers on leave.

**Journalist Liu Binyan Interviewed on Reform**  
*PM0509143088 Paris LE MONDE in French*  
*1 Sep 88 p 4*

[Interview with Chinese journalist Liu Binyan by Michel Tatu and Nicole Zand—date and place not given]

[Text] [Interviewer] Can you describe your present position in China following your expulsion from the party 1 year ago?

[Liu Binyan] I would never have believed that I would be expelled from the party. I thought that I might be banned from writing, as had happened to a number of authors, but I did not think that I would be expelled. Not only have I lost nothing, but I have gained from it. I was a fairly popular writer before my expulsion: Even people who did not read novels read my writing; but since the announcement of my expulsion, everybody in China has discovered who I am. I have therefore gained many readers and many new friends. Moreover, at the end of 1987 it was officially announced that I was allowed to publish. I do not think that I could be arrested in the future, but it is possible that I will be forbidden to publish my work once again.

[Interviewer] Have the political reforms introduced since Deng Xiaoping came to power improved the situation or not?

[Liu Binyan] In fact, political reform in China has not yet started. To be more precise, it started but there has been some backsliding since 1980. For instance, there was more press freedom in 1980 than there is now. On the other hand, the economic reform, which has been implemented in a more serious way, contains political elements. For instance the peasants, who were formerly bound to the land and completely dependent on commune cadres, now have much more freedom.

A distinction must therefore be made between what the CPC leadership allows and the freedom which the Chinese are taking themselves. For instance, during the events at Beijing university in April a ban on dazibao was initially announced. However, there were numerous dazibao.

[Interviewer] Do you think that groups outside the party could find a place within the system? And do you think there could also be an independent press?

[Liu Binyan] I think that there will be independent newspapers in the fairly near future but there are still considerable obstacles. The authorities have already agreed to the creation of an independent newspaper in Hainan island. We do not yet know who will produce it. But Han Shaogong has already launched a magazine which is called Hainan REFERENCE NEWS.

[Interviewer] Do you think that the history of the regime, the history of Mao Zedong, and of the past 30 years is well covered and that there are no areas which have not been clarified?

[Liu Binyan] The history of the regime since 1949 is virtually unknown. Nothing is known about many events. I am relatively well informed, but there are many things which I do not know. For instance, there are many things which I do not know about the period euphemistically known as the "3 years of difficulties" from 1960 to 1962 (after the Great Leap Forward). What effects did they have, and what damage did they do to China? We do not know. How was the Cultural Revolution launched? We do not know.

[Interviewer] What do you think of glasnost in the Soviet Union, compared with what is happening in China?

[Liu Binyan] It was in 1985 that Gorbachev launched the glasnost policy. But I called for openness in discussion back in 1984 (the word openness is also used in Chinese). However, there are many things which are not openly discussed in China. It strikes me that, although we have gone much further than the Soviet Union in economic reform, we are more conservative in the sphere of political reform.

To the best of my knowledge, from Andropov's days Soviet newspapers have had much greater freedom than in China, for instance LITERATURNAYA GAZETA. Even in Brezhnev's days there were clandestine publications, whereas there have been no such publications in China since 1980.

[Interviewer] Do you have contacts with Soviet intellectuals?

[Liu Binyan] There are exchanges of delegations, but they are very limited delegations. In addition, the Soviets are very cautious in their relations with China. For

instance, one of my books which was ready for publication in the Soviet Union was stopped when the Soviets realized that I was not allowed to publish my books in China.

[Interviewer] There has been a rapprochement with the Soviet Union over the past few years. Do you think that the continuation of Gorbachev's policy could also have beneficial effects on life in China, in other words produce more glasnost?

[Liu Binyan] There are already influences. A number of Chinese newspapers like Shanghai's SHIJIE JINJI DAO-BAO and REFERENCE NEWS have published many articles on the situation in the USSR. Although the CPC does not discuss it much, the situation in the USSR has already had considerable influence on Chinese intellectuals. We hope that relations between the parties will be restored but this will not happen very quickly.

[Interviewer] Would it be a good thing?

[Liu Binyan] Yes.

[Interviewer] Do you want the formation of an international communist movement, like the one which existed until the sixties?

[Liu Binyan] That is not what I mean at all. We are living in countries in which the situation is not completely normal—a communist party is not a normal party—and unless there is normalization between the two parties, it will be very difficult to have normalization between the two governments and the two peoples. But, if there is normalization in relations between the two parties, the mutual influences in the reform process will be much greater. Chinese reform will be able to influence Soviet reform and vice versa.

[Interviewer] In view of the two countries' nationalist leanings, will the USSR not tend to revert to a "father-son" relationship between the two parties?

[Liu Binyan] To the best of my knowledge, the Chinese do not really hate the Soviets, not even in what was formerly Manchuria, although many unfortunate things happened when the Soviet army occupied Manchuria from 1945 to 1948-1949. But many people in Harbin region are in favor of normalizing relations. At all events, we could not return to the big brother-little brother relationship! Everybody knows that the Soviet Union changed after Khrushchev's days.

[Interviewer] Do you think that it is possible to be a Chinese Sakharov?

[Liu Binyan] I think it would be possible for there to be quite a few Sakharovs in China. I have said things which were out of line with the party leadership. The conservatives in the CPC have often said that I am a dissident, but I know that I am not. At least, I am certainly not a

Solzhenitsyn-type dissident. If you must make a comparison, I am closer to Roy Medvedev. However, it is absolutely impossible to demand the release of political prisoners in China; and if you discussed the matter, the newspapers would never report it. In the Soviet Union, on the other hand, the trial of Sinyavskiy and Daniyel was reported by the newspapers. In China, that would be unthinkable, even if the newspaper condemned them.

#### **Labor Reform Engenders Mixed Feelings**

OW0409005488 Beijing XINHUA Domestic Service  
in Chinese 2336 GMT 30 Aug 88

[By Reporters Wang Wenjie and Zhou Xiaonong: "On the Minds of Plant Directors; A Few Notes on Labor System Reform"]

[Excerpts] Beijing, 31 Aug (XINHUA)—The reform on the labor system is unfolding across China. Many enterprises have scored initial successes. Increased economic benefits make plant directors more confident. However, during our reporting tour we found many plant directors taking a wait-and-see attitude. They have mixed feelings about labor system reform. They know they must reform the system: There will be no solution to the problem of overstaffing and low efficiency without the necessary reform, but they do not know how to deal with workers, who pester and harass them after being made redundant through streamlining, or how to cope with resulting interruptions in production and unfulfilled contract targets. In a word, plant directors want to avoid trouble. Some of them would rather be dismissed from their posts than try to reform the labor system.

Saying plant directors are afraid of trouble is by no means making a fuss out of nothing. In the past, they had to go through all sort of trouble when they fired or dismissed a worker.

However, some plant directors—managers who have gone through the practice of reforming the labor system—described their experience as "great," saying the reform is "like eating crabs: They look intimidating, yet taste delicious."

The experience of the plant director at the Sheyang County Textile Mill in Jiangsu' Yancheng City is quite representative: Early this year the city authorities asked the mill to try the plan to revitalize the regular workforce. Fearing trouble, the plant director adamantly refused to proceed with the experiment, despite much prompting from the city authorities. Incensed, the county head said: If you will not do it, I will do you in. This plant director reluctantly accepted the experiment task. His first step was to openly hire various levels of managing personnel through bidding in his own plant. Qualified personnel were hired; disqualified ones were shunted aside. His second step was streamlining the workforce. He conducted unified tests and checks among workers. Competent workers were assigned to various posts; incompetent ones were shuffled to the in-house

labor market and made to wait for job assignment. He also changed the wage system from a fixed system to a more flexible one, thus rewarding diligent workers and punishing lazy ones. The result: a raised enterprise management level and a raised production initiative among the workers and staff. According to statistics for May and June, the average monthly output value, profits, and productivity rose by 27.9 percent, 67 percent, and 16.7 percent, respectively, as compared with the same period last year. The workers' average monthly income also rose 20 yuan. Some workers who now earned 300 to 400 yuan shouted "long live the labor system reform." Even those recalcitrant workers who once let it be known that they would teach the plant director a lesson have become mellow under this working atmosphere.

The success of this particular plant director cannot be attributed simply to luck: We visited some 10 cities and found no case of disturbances due to labor system reform. The plant director of a big state-run plant correctly diagnosed the defect of the fixed wage system. He said workers within this kind of wage system are being offered a strong safe: The state gives them lifetime security whether they work or not. The result is that people try every means to force their way into state-run enterprises, thus creating a vicious cycle. A plant that needs only 4,000 people to run was staffed by 6,000. It is like feeding too many mouths with too little food. "Everyone eats from the same big pot" has become "every one eats from the same big soup bowl." The majority of workers and staff members are rather unhappy with this situation of low efficiency, low results, and low income: They strongly want reforming the labor system. Reforming the labor system is the natural product of this trend and is popular with the people. The responsibility of the plant director, who used to bear the brunt of all sorts of contradictions in the plant, is now shared by all the people of the plant, since workers and staff members now take part in the employment system through an open bidding, examination, and evaluation system. These new practices are highly effective, since they offer educational and self-advancement opportunities for the workers. [passage omitted]

Practice has shown that enterprise productivity rises, worker income increases, and people become enthusiastic about their work after labor system reform. The strong force of the masses is transforming many negative factors into positive ones.

Of course, success is not easy for any reform. Just as the mayor of a certain city once repeatedly reminded plant directors of the necessity of stressing policy and work method when engaging in labor reform—since it has wide implications and touches on the workers' personal interests—so should we do a good ideological job and avoid radicalizing contradictions. This way we can prevent confusion and smoothly overcome difficulties in the course of reforming the labor system.



**Authorities Ban Building of Memorial Facilities**  
*OW0209170088 Beijing XINHUA Domestic Service*  
*in Chinese 0815 GMT 1 Sep 88*

[Text] The General Office of the State Council issued a circular on 31 August reaffirming the policy of strictly controlling construction of memorial facilities.

The circular said: Specific stipulations on construction of memorial facilities have been laid down in "The Directive of the Central Committee of the Communist Party of China Concerning Persistence in 'Pursuing Less Personal Publicity'" issued on 30 July 1980. Although the central authorities have repeatedly stressed the control of construction of memorial facilities since then, a number of localities and departments still neglect the stipulations and continue to build memorial facilities, using a great deal of manpower, materials, and money. With the approval of the CPC Central Committee and the State Council, the following are hereby reaffirmed: 1. Construction of memorial facilities must be strictly controlled. From now on, no individual memorial halls or former residences are permitted to be built without the approval of the CPC Central Committee and the State Council, and those under construction or already completed shall not be expanded. Furthermore, without the approval of the CPC Committee and the State Council, neither memorial facilities for historic events, nor individual statues, memorials, and memorial pavilions are permitted to be built. No individual memorial facilities shall be built to honor those still alive.

2. Construction of memorial facilities must strictly follow the stipulated procedures and be submitted to higher authorities for approval. No individual leader is permitted to approve construction of any project. Units and individuals shall not use leading comrades' inscriptions as a means to supersede the stipulated approval procedures, nor shall they use them as a means to raise funds or to collect unjustified financial levies, nor shall they use them to exert pressure on the financial, planning, and construction departments.

3. Expenses for building approved memorial facilities must be strictly controlled, be listed in local capital construction projects, and be handled strictly according to the procedures for capital construction.

4. Former residences of famous persons in modern history, except for those approved by the CPC Central Committee and the State Council, will be all put to normal use and are not permitted to be used as a memorial hall. Simple memorial markers are permitted to be built in these residences provided they do not affect the normal use of other facilities.

According to the circular, CPC committees and governments of various provinces, autonomous regions, and municipalities directly under the central government must, according to the abovementioned stipulations,

seriously examine local memorial projects under construction, stop those that are found to violate the stipulations, and report their findings to the CPC Central Committee and the State Council by the end of this year.

**JIEFANGJUN BAO Views PLA Development**  
*HK0609135688 Beijing JIEFANGJUN BAO in Chinese*  
*19 Aug 88 p 3*

[Article by Tie Jun (6993 6511): "A Discussion on the Road to the Development of the Chinese Army"]

[Text] Editor's note: This newspaper has published some exploratory articles on the direction for the modernization of the Army. Today, we have again published the article "Debate About the Road of the Development of the Army." Thus, our readers can ponder the building of our Army in the new era. [end editor's note]

There is a well-known saying from (He-la-ke-li-te) [6378 2139 0344 6849 3676], founder of the dialectics of ancient Greece: Everything is in a fluid state. If this saying was an axiom in the remote past, then it is especially true in the contemporary era.

As compared to any historical period, everything in the contemporary military world is evolving rapidly. There is an unprecedentedly quick pace, and a stepped-up rhythm. In the face of a surging tide of military reforms, what should be the direction for the modernization of the Army? Our answer is: Follow the road to mechanized and armored equipment firmly and unswervingly.

I

A so-called mechanized and armored force means that combat units of the Army, while equipped with tanks, armored cars, and armored personnel carriers, must also have armored self-propelled weapons. This is to say that becoming mechanized and armored has by extension greatly exceeded the scope of such an arm as the armored force to include infantrymen, artillerymen, engineering troops, air defense forces, antichemical warfare corps, and other arms. The effort toward mechanized and armored equipment must develop in this direction.

It was not long ago when the infantrymen of developed countries were equipped with armored cars, their artillerymen with self-propelled weapons, their air defense units with self-propelled antiaircraft guns and air-defense missile launching vehicles, and their air force units of the Army equipped with armed helicopters called "gunships." Even the enemy of tanks—the anti-tank family—has been equipped with anti-tank missile launching vehicles, self-propelled anti-tank guns, and so forth. Because they are armored weapons, with fire-power, mobility and protection concentrated in them, they have functions close to those of tanks. With their respective strengths and weaknesses, the former and the latter complement each other and form into a single

entity. Given the combination of functions, they constitute a major force. From this, we can see that tanks on the stage of war would become history, if they had no sophisticated accompaniments. An armored force will also gradually change in its traditional sense, with the Army put on a mechanized and armored basis. As far as the Army is concerned, the emergence of helicopters, the development of anti-tank missile launching vehicles, and the great advances in the development of other weapons all show that putting the Army on a mechanized and armored basis is an irresistible trend.

The development of the Army in the direction of being mechanized and armored is not prompted by the lure of its prospect. It is instead dictated by the law of this reform itself being compatible with development.

First, the Army's becoming mechanized and armored is a result of the spectacular advances in science and technology and the accompanying rapid development of social productivity. This is, in the final analysis, it is determined by the economic base and the level of material production. Therefore, an economically developed country is usually the first to have a mechanized and armored army. At present, the new industrial revolution with high technologies as its target is having an influence on the Army's becoming mechanized and armored no less than the scientific and technical progress in the 1930's had on the military field, as far as reform is concerned. This is really a revolution of the "post-nuclear era"! We should not miss a chance to accelerate the pace of our Army becoming mechanized and armored in this climate. The current environment of reform and openness has provided favorable conditions for this. Our country has shown quite a great development economically, scientifically, and technically. While continuously strengthening the building of armored forces, our Army must pay proper attention to the building of various reinforcement arms of the land force on a mechanized and armored basis. This is compatible with the objective law and is built on conditions permitted by an objective material basis.

Second, the features of the battlefield environment that are related to the great development of science and technology and productivity also have a profound influence on the development of the army's effort to become mechanized and armored. Many people predict that any war around the year 2000 will be high-technology warfare. We think that at that time, combat planes, tanks, cannons, and so forth will remain main weapons. Meanwhile, some advanced and sophisticated weapons and technologies, such as precise guidance weapons, high-technology reconnaissance equipment, high-tech night vision instruments, electronic warfare equipment, command automation equipment, and so forth, will be used on the battlefield. This situation will cause mechanized warfare in its traditional sense to take on certain new features and rise to a new high plane. On the ground battlefield at that time, armored mechanized units will

remain the main force. As to whether armored mechanized units can adapt to the features of future warfare, our answer is positive. Put on a mechanized and armored basis, the Army will be much more three-dimensional, with the combined use of various types of combat units. The combination of various important elements of the Army will naturally enable the whole force to be doubly effective, and thus capable of fully adapting to the features of modern warfare, which tends to be three-dimensional, combined in nature, in-depth, and omnidirectional. This is what any one-sided development cannot achieve. On the other hand, the latest products of modern science have been diverted and will continuously be diverted to the production of mechanized and armored weapons. This has been proved by the appearance of "intelligent" tanks, "invisible" tanks, and extralight tanks. It can be concluded that in the not too distant future, many armored weapons will naturally become highly effective weapons and thus rank as weapons of the advanced and sophisticated type to be used on the battlefield. Such a prospect for the development of armored weapons determines that they will remain the major force in ground warfare involving certain high-technology features. The so-called claim that "the tank family can hardly find room for large supplies of advanced scientific and technological products is incompatible with objective realities.

Furthermore, in a crucial period of historical development, those armies good at accurately selecting the orientation for development and properly carrying out a military revolution can always stand out in the military world. The military revolution Napoleon carried out from the 18th century to the end of the 19th century, and the reform of the German Army before World War II have proved this. At present, the era in which we are placed is "the half century of a rapidly changing world" and "the key to a great transition." (Lu Xianggan: "Pass Through the 21st Century," August 1988 edition, p 49) For various reasons, we have lost much precious time. If we do not make good use of the current favorable conditions in carrying out major reforms in various fields and fundamentally improving the quality of our Army, the gap between China and the military powers is likely to further widen. The development of the Army in the direction of being mechanized and armored can lead to reforms in such fields as weapons and equipment; the size of the establishment; the quality of personnel, education and training; ways of fighting; military theory; and so forth, with the fighting power of the Army raised as a whole. If we just develop helicopters, or a certain single item, we can hardly expect to bring about such major reforms in the military field.

In addition, this era of ours is one of drastic changes, sudden changes seen almost everywhere. But there is no disputing the existence of a law; that is, the continuity of military developments exceed their discontinuity and suddenness. "History is relatively continuous. The system and other social compositions are not created overnight. Rather, we would say that they take place gradually. Every aspect of tomorrow's society has its historical

roots." (Cann: "Development of the World Economy," Colorado 1979 edition, p 11) As far as the span of time is concerned, it seems that the various stages of development of the army are shortened and, at times, even quickly gone. But there is no absence of any stage of development.

## II

When it comes to the choice of modernization in the Army, some comrades say: "Crawling on the ground will soon become history" and "future battlefields will be dominated by helicopters."

Some other comrades also say: "We should directly bring about the use of helicopters by boldly bypassing the stage of development of the army's mechanization." Sorting out these ideas carries great significance in firmly following the road of putting the Army on a mechanized and armored basis.

Since the 1970's, the continuous development and widespread use of helicopters have filled a gap in firepower at low altitudes and widened the area for a mobile air force. Unique advantages have been obtained in improving battlefield command, in providing needed protection, and in other fields. Helicopters have become an outstanding performer in the family of army weapons. The development of helicopters and the establishment of army air force units have become the common choice of the armies of various countries. But the energetic development of helicopters does not necessarily call for directly putting everything in terms of helicopters. The so-called putting everything in terms of helicopters, needless to say, means that helicopter units should at least exceed combat units in the organizational system of the Army by 50 percent to become the core of the Army. At present, in the Soviet and U.S. Armies, which are liberally supplied with helicopters, helicopter units account for only about 5 and 10 percent of combat units in the organizational systems, with the number of troops carried at one time representing 5.1 and 12 percent of the total number of army troops. Judging from the short- and medium-term equipment development plans of the Soviet and U.S. Armies, the trend of helicopters taking the place of ground combat vehicles is unlikely. On the contrary, given the emphasis on fundamentally maintaining quantity, an effort is being made to improve the quality of ground combat vehicles. It can be seen that military powers like the Soviet Union and the United States have not put everything in terms of helicopters. Nor do they have short- and medium-term plans for bringing this about.

Helicopters have their advantages. They also have their combat limitations. First, the combat radius of helicopters is around 200 kilometers. The takeoff point is generally more than 50 kilometers away from the forward position. Therefore, they can only operate within limits. Second, a single helicopter operation lasts around 2-5 hours. Maintenance service and replenishment in

between two operations takes a few hours. A helicopter generally operates not more than twice a day. Therefore, except for island fighting, hostage rescue operations, and other special combat missions, a helicopter can only play the role of a part of the whole force in a mainly land-based battle. For that matter, helicopters can hardly play an independent role. Third, the mutual stimulation between the "spear" and the "shield" has stimulated the emergence and development of antihelicopter weapons. At present, some countries are researching and manufacturing antihelicopter missiles, dual-purpose antihelicopter and antitank missiles, antiaircraft guns capable of being fired quickly with the use of radar tracking [kuai-su-fa-she gaoshepao 1816 6643 4099 1410 7559 1410 3517], and so forth. These will pose a threat to helicopters. Fourth, the manufacturing costs of helicopters are prohibitive. In light of the actual conditions of our country and our Army, we can hardly "put everything in terms of helicopters." Moreover, even given an investment of large amounts of money in equipping a few helicopter pilots in the near future, or in a future further ahead, we are still far away from the goal of putting the whole Army on the basis of helicopters.

From this, it can be seen that in modern warfare that involves a great variety of weapons, a three-dimensional battlefield, and the combined use of various types of weapons, it is lopsided to emphasize the role of a single weapon system. This is borne out by the sinking into oblivion of (Du-hei's) [2629 7815] idea of airspace control, Mahan's idea of controlling the sea, and (Fu-lei's) [1381 0519] idea of winning a battle with tanks, which were for a time all the rage. It tells us that the era of using a single weapon system, or letting a single arm dominate the battlefield, is gone.

Summing up the above, we can see that in the process of realizing the modernization of the Army, we must develop helicopters in a planned manner and in stages. But in no way can we on that account negate the direction of putting the army on a mechanized and armored basis. Instead, we should take the development of helicopters as a component of the relevant program. At present, many people often cite such data as the 1:19 ratio between foreign armed helicopters and the outcome of tank resistance to show that the "end" of tanks has come. This is quite a one-sided idea. The test was conducted by a foreign army in a testing ground with armed helicopters and tanks treated as two isolated weapons systems.

Without the support and coordination of other weapons systems, tanks were hit like sitting ducks before helicopters entered their effective firing range. They were left helpless without being able to assert their superior role. In actual combat, the whole force made up of tanks and other weapons would greatly change the outcome of battle. Therefore, the results of this test cannot prove the uselessness of tanks. On the contrary, it shows that in modern warfare, various weapons systems of the Army should develop simultaneously with the major arms in



the direction of being mechanized and armored. This is to increase the combat functions of various arms as independent units and closely coordinate actions to give play to the might of the whole. For the same reason, we also cannot negate the role of helicopters because of the development of anti-helicopter weapons. In the middle and the latter part of the 21st century and even in a future further ahead, with the liberal use of orientation capability [ding-xiang neng 1353 0686 5174], bunches of particles [li zi su 6721 1311 2631], new-type lasers, and so forth, the state of the battlefield will change the old features of mechanized war. There will be high-technology warfare. Given such a battlefield scenario, mechanized and armored equipment may pale in significance. The Army will chose a new road of development. But if we completely rely on conditions likely to appear in a relatively remote future to formulate plans for the building of the current army, we will inevitably be punished by objective laws, because of defiance of the concept of the stage of historical development.

### III

Becoming mechanized and armored is the common road that developed countries in the world are following in modernizing their armies. There is, therefore, a wealth of experience to draw upon. But our country's unique historical and current conditions in its political, economic, military, and cultural fields and natural geographic environment also determine that the road we should follow cannot be patterned after a foreign model in its entirety.

Our country is in the initial stage of socialism. Army building must be subordinated to the needs of the whole national economic construction effort. Given the country's inability to divert more funds toward the development of military equipment, devising strategies and thinking out plans is a matter of utmost importance in quickening the pace of mechanizing and armoring the Army. To this end, we must first not only pay attention to likely developments and changes in conditions and circumstances in the early part of the next century but also take reality into consideration, with plans based on actual national conditions and military conditions. We must not only attach importance to threats in real life and strengthen defense forces in hot points but also pay attention to potential threats, maintaining the fundamental stability of the whole strategic defense effort. Second, we should give full play to the role of existing equipment. Given no increase in the supply of equipment and working personnel, we must, through reforming the organizational system, improve the degree of the army's being mechanized and armored. In line with the guideline calling for "less of equipment, more scientific research, and more attention to building up technology reserves," we must, simultaneously with a keen effort to research and manufacture new-type tanks and armored vehicles, energetically strengthen the maintenance and servicing of existing equipment. We must adopt

advanced scientific technology in rationally transforming existing equipment. This is to continuously seek new development on the basis of the existing scale. Third, we must energetically strengthen the study of theory in the military field and the training of skilled personnel, making proper relevant preparations for an overall effort to mechanize and armor the army. Fourth, we must lay the emphasis on properly building armored and mechanized units and strategic mobile units (rapid response units). We must gradually solve the problem of coordinating and linking up various arms of the army to join forces in fighting. In a planned and systematic manner, we must stimulate the building of the army's air force units, and gradually form a single entity of combined air and ground forces, with the ground force as the core, opening up a road to the development of mechanized and armored equipment.

It may be remembered that a philosopher once said: It is luck for a chance to come. Success depends on being good at seizing the chance. At present, we are "lucky," given such a background. We must grab hold of the chance, and firmly and unswervingly following the road of putting the army on a mechanized and armored basis. Only this is a correct choice in realizing the modernization of the Army.

**PLA Armored Corps Achieves Modernization**  
*OW0309154088 Beijing XINHUA Domestic Service  
in Chinese 1047 GMT 1 Sep 88*

[By reporter Jie Yanzhen]

[Text] Nanjing, 1 Sep (XINHUA)—Some PLA units of 10 different specialized arms recently took part in a military exercise in northern Anhui Province. The military exercise showed that our armored corps has become a modernized branch with a strong fighting power.

The military exercise took place in a mountainous region. In the past, infantry men marched on foot, explosives and minesweeping were handled manually, and supplies and ammunition were transported by pack animals. Such a scene has disappeared today. During the recent military exercise, what we saw were motorized units, with even the medics riding in armored ambulances. In the vast exercise ground, we didn't see many troops. The commanders and fighters of 10 different branches, including the armored corps, the artillery corps, the engineer corps and the antichemical warfare corps, were rapidly deployed, and all the orders were executed at the exact time. The exercise showed the high degree of coordination and strong fighting power of the armed corps in a joint operation.

During the modernized military exercise, Wang Chengbin, deputy commander of the Nanjing Military Region, and some comrades from the armored corps department of the General Staff Department told the reporters: The modernization of our armored corps is proceeding rapidly. It has increased its tanks, remarkably improved its

joint operations capability, and enhanced its mobility, defense capability and fire power. Its new tanks have greater horsepower, accurate gun sights, and better armor-piercing ammunition. The tank crew's battlefield survival ability has been enhanced. With stronger armor and the gradual automation and armoring of support vehicles, the PLA armored corps has remarkably improved its rapid reaction and combined operations capability.

**Attack Aircraft Makes Successful Maiden Flight**  
*OW0309231788 Beijing XINHUA in English*  
1752 GMT 3 Sep 88

[Text] London, September 3 (XINHUA)—A-5M, a new generation of Chinese attack aircrafts equipped with updated electronic navigation and fire control systems has made a successful maiden flight.

Sun Zhaoqing, president of China National Aero-Technology Import and Export Corporation (CATIC), made the announcement here today on his way to the Farnborough air show next week.

Following the maiden flight on August 30, 1988, in Nanchang Aircraft Company, Jiangxi Province, A-5M now phases into system flight tests until the end of this year, according to Sun.

A-5M is a new version on the basis of the original A-5II attack aircraft with the newly developed and modified systems through joint efforts of CATIC and Aeritalia, an Italian company, in two year's time.

According to CATIC, the hardware of the navigation and fire control systems of A-5M planes are provided by the electronic department of Aeritalia, while the two prototypes are made by CATIC's Nanchang Aircraft Company.

CATIC said the Italian avionic systems greatly augmented the close air support and battlefield interdiction capabilities of its A-5II attack aircraft.

"It will become one of the leading attack aircraft in 1990's in the world," Sun Zhaoqing said.

Sun said he hopes to expand sales of A-5M in world markets when the planes begin to serve after system tests.

He said the successful maiden flight of A-5M has strengthened his confidence to "speed up the close cooperation between China's aviation industry and foreign partners in various forms on the basis of equality and mutual benefit."

One model of the A-5M will be presented in the Farnborough air show next week, along with which CATIC will show visitors several other models of Chinese aircrafts, such as F-7M, a newly modified light tactical single-seat fighter plane.

**JINGJI RIBAO Views 'Panic Purchasing'**  
*HK0609145388 Beijing JINGJI RIBAO in Chinese*  
24 Aug 88, p 1

[Article by reporter Li Wei (2621 1550): "Finding One-self in a 'Storm'—an Analysis of Panic Purchasing in Shenyang"]

[Text] Not long ago, panic purchasing took place in Shenyang City. People rushed to buy refrigerators and washing machines so long as these commodities were serviceable. As result commodities such as blankets, knitting wool, towels, and towelling coverlets were sold out immediately. People rushed to buy almost all commodities, including high-grade ones, whose prices were well over 1,000 yuan and the "easily consumable" commodities at prices as low as 8 jiao. Within 10 days between 25 July and 5 August, the balance of bank savings deposits in the Shenyang branch of the Industrial and Commercial Bank dropped by 52 million yuan, while the sales volume in seven relatively big department stores in Shenyang City increased by 55 million yuan.

On 26 July, the State Council approved the lifting of price controls on famous-brand cigarettes and wine. At the same time the State Council clearly pointed out: In the second half of this year the State will not implement new measures of price reform. Although the statement made by the State Council was printed in black and appeared in all the newspapers, "panic purchasing" still arose in Shenyang City.

Some noticeable new phenomena have also appeared in the circulation field in Shenyang City. In order to sell some long-held commodities, including some that were substandard, the staff of some state-owned department stores in Shenyang City shouted at the masses: "Hurry! Hurry! If you don't hurry, these things will soon be sold out!" "Come on! Buy these things quickly! In a few days, their prices will go up! ... ." These remarks undoubtedly stimulated people's purchasing desires. A young man working at the counter selling cassette recorders in a Shenyang City department store happily told our reporters: "This month I have received a record bonus."

In the wave of panic purchasing, the prices of some fast selling commodities did indeed go up. For example the original unit price of the Tianjin-made Xinpusen washing machines was 845 yuan. Within a few days it went up to 895 yuan. The original production price of a Chifeng blanket was 125 yuan. A few days later it was 167 yuan. The prices of refrigerators and color television sets also went up by big margins. The consumers who rushed to buy commodities fearing further price hikes actually pushed commodity prices up.

Some comrades from Shenyang City Price Department said that they could do nothing to stop such a situation and could find no remedy for the "panic purchasing."

However, they disagreed with the "immoral" behavior of the enterprises, which harmed both the interests of the state and the interests of the consumers.

The panic purchasing has raised some new questions which people need to think about very carefully: Relaxing control on prices is reform while tightening control on prices is also reform. How should control on prices be tightened and relaxed properly? Is it necessary to adopt measures to maintain a logical ratio between cost and profits and prevent some people from illegally gaining sudden huge profits? What measures should be adopted to crack down on illegal speculative activities? Under the circumstances that the standard of production in our country is still not high and our country still does not have a bumper supply of commodities, how can the phenomenon of abnormal consumption be prevented and how can we enable the currency in the hands of the residents to flow into the production and construction fields?...

During the wave of panic purchasing everyone, either consciously or unconsciously, rushed to buy commodities. This is really a phenomenon we should be on the alert for.

#### 'Analysis' Calls for Higher Interest Rates

OW0309080088 Beijing XINHUA Domestic Service  
in Chinese 0629 GMT 31 Aug 88

[News Analysis by XINHUA reporter Ding Jianming:  
"Interest, the Cost of Capital"]

[Text] Beijing, 31 Aug (XINHUA)—Beginning 1 September, China will readjust its interest rates for all bank deposits and loans. A few days ago, a responsible person of the People's Bank of China announced that the People's Bank will adopt a flexible interest policy adapted to the developing economy and rising commodity prices. This shows that at long last, the role of interest rates as a lever has been recognized by China's economic decision makers; and that the lever of interest rates has begun to play an active role in China's national economy.

Interest rates have been playing a very important role in the West's economic life and are frequently employed by many Western nations to make readjustments to their economy. To alleviate Britain's increasing inflation pressure, British banks have readjusted their domestic interest rates seven times in 10 weeks since early June. On 10 August, major American banks also announced they will hike their interest rates, which is the second hike in a month by the American banks.

However, in China, because of the implementation of a highly centralized planned economy over a long period of time, the state used to control everything. In finance, appropriations gratis was the general practice. Even when banks did make loans, only token interest was charged, which was always at a single fixed rate and stayed unchanged for years. Since interest rates could neither reflect the supply and demand of capital nor the

efficiency of capital employment, they failed in their basic function as a flexible means and lever to readjust the economy. Although following the development of the commodity economy since 1979, China's banks have many times readjusted their interest rates, they have generally been kept at the same low levels since the 1950's and have failed to catch up with rising inflation rates. From the period 1985 to 1987 when retail prices rose at an annual rate of 7.3 percent, to the first half of 1988 when retail prices went up at an annual rate of 13 percent, and the prices of means of production rose at double-digit rates, the banks' interest rates remained at the 1985 level. The annual interest rate of 1-year time deposits of individuals was 7.2 percent, and that of bank deposits of industrial and commercial enterprises was even lower at 5.04 percent. Even the annual interest rate charged for circulating fund loans was only 7.92 percent. Statistics show that currently, among the banks' various kinds of loans, nearly 100 billion yuan has been charged with rates lower than 7.92 percent, the standard rate for circulating fund loans; and that the interest rates charged for some 30 percent of the banks' fixed assets loans are below the standard rate charged for such loans. Bank interest rates' being so far below the rate of inflation make the cost of capital unusually cheap in China.

When interest rates of bank deposits fail to catch up with the rate of inflation, banks lose their appeal to the people. Shunning the banks' low interest rates, huge amounts of idle capital are rushing toward the consumer market. These days, sayings like "don't put your money in the bank, it's not worthwhile," "it is wiser to buy things than save money," and many others are on everyone's lips. The spread of these sayings has triggered a nationwide run on the banks and panic buying. A peasant in Henan bought eight metric tons of salt in one breath. A Baoying County worker in Jiangsu bought 400 KG of rice and 65 KG of edible oil at one go. Half of the families of a small mountain village in Fujian where oil lamps are still used for lighting have bought color television sets, refrigerators, and other expensive appliances. Panic buying has caused a sharp drop in this year's new bank deposits, which are at a standstill right now. In contrast, the outflow of currency from the banks is rapidly increasing, reversing the trend of previous years.

By charging low interest on loans, the banks have failed to fully tap the potential of their deposits. By paying low interest to depositors, they have failed to attract more deposits, which in turn has made the banks unable to expand their loans. At the same time, low interest rates on loans have only served to expand the demand for more loans. The current low interest charged by banks on credit loans and the rising commodity prices have made it profitable for the enterprises to buy and hoard certain scarce raw and processed materials with bank loans because the prices of these materials will possibly rise at a rate faster than the interest rate charged by the banks. The enterprises can thus make a profit from the money borrowed from the banks.



However, this is not the only means whereby an enterprise can profit from bank loans. The banks are under constant pressure from the enterprises to meet their demand for more and more unreasonable loans. The root cause of all this is low interest rates. From 1984 to 1987, China's total industrial and agricultural output rose only 51 percent, while its total bank loans increased 104 percent, more than doubling the economic growth rate. Although currently China's total bank loans have already topped 1 trillion yuan, equivalent to the Chinese GNP in 1987, the end of the enterprises' unsatiable demands for loans is still not in sight.

All these unreasonable demands have compelled the Central Bank to issue more money, thus further fueling the inflation. At the same time, the unreasonably low interest rates, completely divorced from the reality of supply and demand, have only served to fuel more demand for capital. This leaves the banks no choice but to control their loans within the targeted limit, causing them to resort "equal treatment" for all loan seekers. Consequently, it does not matter whether an enterprise is run efficiently with good economic results, it will get the same treatment as other enterprises insofar as seeking loans from the banks for production is concerned.

Low interest rates have been the cause for many serious setbacks in China's economic development. In a commodity economy society, capital is a special commodity, the cost of which is interest. Under the current circumstances of acute contradictions in the supply and demand of capital in China, raising interest rates and employing them as a means to readjust the national economy is imperative. Readjusting interest rates is bound to play a positive role in stabilizing and expanding China's bank deposits and checking inflation. In addition, it can also compel the enterprises to improve management and raise economic results.

The current readjustment of interest rates is expected to have a positive impact on the Chinese economy. However, at a time while China is in a transition period from the old to the new system, the relations between all quarters concerned have not been fully straightened out. Therefore, making full use of interest rates as a means to readjust the economy still requires the cooperation from all quarters concerned.

**Savings Deposit Interest Tied to Price Index**  
*OW0309213488 Beijing XINHUA in English*  
1440 GMT 3 Sep 88

["Interest Rates on Savings Deposits To Be Tied to Price Index"—XINHUA headline]

[Text] Beijing, September 3 (XINHUA)—The People's Bank of China will let interest rates on savings deposits float according to the price index, its spokesman said during an interview with reporters here today.

The measure, effective September 10, applies to three, five and eight-year savings deposits.

The spokesman explained that a deposit of 100 yuan in a three-year term savings account will be worth 129.16 yuan at maturity based on the current interest rate of 9.72 percent.

But if the price rises by 52.4 percent in three years, the deposit will be worth 152.4 yuan, with the 23.24 yuan extra being paid out as a form of subsidy.

No subsidy will be given if savings are withdrawn before they become due.

The subsidy for deposits coming due between September 10 and December 31 this year will be set according to the rate of price rises in the second quarter of this year.

Deposits of institutions and enterprises will not receive subsidies. Collectives who try to transfer their deposits to individuals will be subject to a fine, the spokesman said.

**Bank Guarantees Freedom To Withdraw Savings**  
*OW0309233088 Beijing XINHUA in English*  
1532 GMT 3 Sep 88

[Text] Beijing, September 3 (XINHUA)—The Industrial and Commercial Bank of China has vowed to guarantee the freedom of depositors in withdrawing their savings deposits as part of its effort to help stabilize market and banking.

In its August 31 telegram to branches across the country, the bank ordered that no branch is allowed to refuse withdrawal by depositors on any pretext.

The move followed panic buyings resulting from consumers' anxieties over rising prices in some places.

On August 30 the State Council issued an announcement calling for improving the administration of prices and achieving a greater stability in the market.

"Branches at various levels should try to make interest rate keep pace with or above price hikes and ensure a steady increase of savings deposits," it said.

Limited funds should be used primarily for the purchase of agricultural products, the production and supply of hot-selling commodities and loans for key state projects, it said.

It particularly mentioned loans needed for the production and supply of such daily necessities as grain, cotton, edible oil, meat, eggs and vegetables.

The telegram urged branches to resolutely impose bans on loans to all enterprises which are responsible for indiscriminate price hikes and which have been engaged in hoarding and cornering.

All-round restrictions should be put on lending to enterprises involved in speculations and officials who abuse their power to resell goods for huge profits.

The telegram also required branches to confine this year's credit within the amount set by the State Council and the People's Bank of China.

**Bank of China To Reform Accounting System**  
*OW0409040788 Beijing XINHUA Domestic Service*  
*in Chinese 1630 GMT 2 Sep 88*

[Text] Beijing, 2 Sep (XINHUA)—With the consent of the State Council, the People's Bank of China has decided to reform the bank accounting system.

The bank accounting system currently in use in China was established on the basis of a product economy. The system constrains collective and private economy, disallows the use of commercial credit, and overemphasizes administrative supervision, and therefore cannot meet the needs of the commodity economy, resulting in heavy use of cash in commodity transactions, delayed payments for goods among enterprises, and slow turnover of funds. A reform of the current accounting system is thus in order.

The People's Bank of China will pay special attention to convenience, general compatibility, security, and promptness in the reform of its accounting system, which mainly includes easing requirements for opening accounts, simplifying payments, extending the use of negotiable instruments, expanding payment services, rescinding collection and deduction [two shou cheng fu 2094 2392 2110 0102] and other means incompatible with the commodity economy, and establishing a new bank accounting system which has at its core checks, bills of exchange, cashier's checks, and credit cards.

The new system will be greatly simplified and can be applied to a broader range of transactions. Enterprises may use different payment methods for different types of transactions. For example, if a transaction is conducted within a city, checks or cashier's checks can be used and payment received on the same day as or the day after goods are delivered.

When a transaction is conducted between two different places, bills of exchange or remittances can be used in the case where payment is made before goods are delivered. In the case where payment is made after goods are delivered or both parties agree on a delayed payment, commercial bills of exchange can be used and banks may, upon request, collect the money when due or honor the bill at a discount if the money is needed before due. With buyers of good credit standing, sellers may ask banks to collect payment on their behalf.

After the reform it will be more convenient for individual traders and professional contractors to open accounts and transfer funds at banks, and banks will maintain

secrecy for their account holders. As banks continue to bring in more and more electronic devices, some banks will be authorized to issue credit cards and transfer services for individual traders and consumers will be promoted.

Telex and mail transfers will remain after this reform, while the use of self-carried mail transfers will be rescinded. Bank collection services will be extended, not only for transactions between different places but also for transactions within the same city. Units and individual traders holding accounts with banks or credit cooperatives may apply for these services. A consulting service for handling refusals of payment and defaults will be initiated. The People's Bank of China also plans to rescind the following six accounting methods: collection and deduction, letters of credit as currently used (except for international letters of credit), payment orders, collections without deduction, certified checks, and in-province limited settlements. Instruments that can only be used within a locality or a specialized banking system and are not compatible with other localities or banking systems and settlement documents issued without the authorization of the People's Bank of China will be discontinued as well.

The People's Bank of China's new accounting system will be implemented in the banking system first, and then starting next year in industrial and commercial enterprises and units.

**GONGREN RIBAO Cited on Trade Union Reform**  
*OW0309232188 Beijing XINHUA in English*  
*1401 GMT 3 Sep 88*

["Trade Unions Need Reforming, Paper Says"—XINHUA headline]

[Text] Beijing, September 3 (XINHUA)—The WORKERS DAILY, a Beijing-based national newspaper, carried three letters on its front page today discussing the role played by trade unions at the grass-root level.

In one letter, three young workers from Sichuan complained that the union in their factory does not function as an organization of their own.

"Ours is a large factory with several thousand workers. But we ordinary workers seldom see the union leaders and hardly know what they do except on pay day, when they come to collect the union dues," they said.

The media says that the union should conduct its work according to the will and demand of the workers, and work for them, they said. "But in our factory the union officers just help to supervise the workers. They take no notice, for instance, of the poor food offered in the factory's dirty canteen."

In another letter, a factory union leader in west China's Gansu Province also complained that now the union is at the disposal of the factory's director, who makes decisions concerning the workers without consulting them.

However, a factory director from Hunan Province blamed the union in his factory for intervening in the work of the factory leadership. "They interfere too much in my work, and sometimes it is very difficult for me to function as a director," he said.

The director believed that the unions should not be given too much power. "A union with too much power is likely to get out of control," he said.

**Economic Zones Attract More Taiwan, Foreign Funds**  
*OW0309184588 Beijing XINHUA in English*  
1453 GMT 3 Sep 88

[Text] Beijing, September 3 (XINHUA)—Foreign investment in China's four special economic zones (SEZ) is growing rapidly.

According to the State Council's SEZ office, 435 new foreign investment ventures were approved in Shenzhen, Zhuhai, Xiamen and Shantou zones in the first half of this year.

The ventures involved contractual investments totalling 369 million U.S. dollars.

Officials from the office said most of newly approved projects are in manufacturing and export industries.

Investments from Taiwan have risen sharply. Xiamen, situated directly across from the island, signed 32 contracts with Taiwan businessmen in the first half of the year, more than the total for the past five years.

Solely foreign-owned ventures have also expanded and have brought welcomed capital, technology, raw materials and sales networks to the zones. The number of such ventures starting up in Shenzhen was quadruple the figure for the same period last year.

The output of foreign investment ventures was up 65 percent and accounted for nearly half the total of all four zones.

The value was 6.6 billion yuan, 48.7 percent higher than the first half last year.

Exports rose by 136 percent to 1.36 billion U.S. dollars.

The four special economic zones were set up in 1981 to spearhead the country's open policy and reforms.

Despite remarkable growth there are many problems including the lack of funds, which prevented timely investment into the inadequate and aging infrastructure.

A shortage of export supplies and increase in production costs have posed challenges to enterprises, too.

**Foreign Trade Booms Along Chang Jiang**  
*OW0309193788 Beijing XINHUA in English*  
1227 GMT 3 Sep 88

[Text] Beijing, September 3 (XINHUA)—More than half of the ports along the Yangtze River are now engaged in foreign trade, today's OVERSEAS EDITION of the "PEOPLE'S DAILY" reported.

There are 25 ports along the Yangtze, of which four—Nantong, Zhangjiagang, Nanjing and Zhenjiang—are open to foreign ships.

According to statistics, the foreign trade handling capacity last year reached 5.79 million tons; it hit 3.9 million tons in the first seven months of this year—720,000 tons up on the same period of last year.

The export goods include cotton, edible oil, porcelain and local products, and the import goods include chemical fertilizer, minerals and building materials.

The paper said that in 1986 the number of containers handled by the four ports of Nanjing, Zhangjiagang, Nantong and Wuhan was 38,839. In the first seven months of this year the four handled a total of 31,507 containers, up 8,382 over the same period last year.

A dozen foreign trade transportation corporations have been set up along the Yangtze, combining transportation between the river and the ocean, and between water and rail, the paper said.

In the first seven months of this year, the Wuhan branch of the China Ocean Shipping Agency handled more than 1,500 international standard containers, 83 percent of the total planned this year.

**Disasters Cause 500 Deaths, Loss of 7 Billion Yuan**  
*OW0309142688 Beijing XINHUA in English*  
0941 GMT 3 Sep 88

[Text] Beijing, September 3 (XINHUA)—Various disasters this year have struck Heilongjiang, Zhejiang and Hubei Provinces, affecting more than 25 million people and causing direct economic loss of seven billion yuan and a death toll of over 500.

According a report issued today by the Ministry of Civil Affairs, the Chinese authorities have taken various measures to help the disaster areas tackle their problems. Help from foreign countries and international organizations will be accepted.



The main problems in these areas, the report says, are that they are short of money and materials such as edible oil, grawn, cloth, cement, fertilizer and medicine for restoring and rebuilding production facilities and houses.

Harbin, Daqing and other places in the northeast's Heilongjiang Province were hit by floods last July and August, while Hangzhou and Ningbo in south China's Zhejiang Province were afflicted by floods, droughts, storms and typhoons at the same time.

More than 10 cities and counties in south China's Hubei Province were plagued for a long time by serious drought, with the result that about four million people and 1.8 million domestic animals did not have enough water to drink.

In Zhejiang Province 424 people lost their lives, some 340,000 houses were destroyed in Zhejiang and Heilongjiang Provinces, and the grain output in Hubei Province will be reduced by three million tons this year, the report says.

#### **Southern Provinces Pool Power Resources**

*OW0309062188 Beijing XINHUA in English  
0537 GMT 3 Sep 88*

[Text] Beijing, September 3 (XINHUA)—Four provinces in south China have agreed to pool their resources to build power facilities with a total generating capacity of 5.24 million kilowatts during the 1991-94 period.

The agreements have been signed by Guangdong, Guizhou, and Yunnan Provinces, and the Guangxi Zhuang Autonomous Region, the OVERSEAS EDITION of the "PEOPLE'S DAILY" reported today.

Under the agreements, Guangdong, Yunnan, and the State Energy Investment Corporation will jointly build a 600,000-kilowatt thermal power plant in Qujing County, Yunnan Province, and a 220,000-volt power transmission line.

Guangdong, Guizhou, and the corporation will jointly build the first phase of the Anshun Thermal Power Generation Center in Guizhou. The center will eventually have a generating capacity of 2.4 million kilowatts.

Guangxi, Guizhou, and the corporation will jointly build a 6,000-kilowatt thermal power plant in Panxian County, Guizhou Province. Guangdong, Guangxi, Guizhou, and the corporation will jointly build a 1.64 million-kilowatt hydroelectric power station on the Hongshui River in Guangxi.

These power facilities will involve a total investment of 7 billion yuan (about 2 billion U.S. dollars). Half the money will come from Guangdong Province, 20 percent from central government, and the rest from Guangxi, Guizhou, and Yunnan.

### **East Region**

#### **Anhui Establishes New City, Prefecture** *OW0509122388 Hefei Anhui Provincial Service in Mandarin 1100 GMT 3 Sep 88*

[Text] Anqing City and Chizhou Prefecture were established on 2 September. Entrusted by the Provincial Party Committee and the Provincial Government, Yang Yongliang, deputy secretary of the Provincial Party Committee, and Liu Guangcai, its standing committee member and organization department director, led a provincial group for guiding and coordinating the administrative division and readjustment of Anqing Prefecture to Anqing to help the establishment of Anqing City and Chizhou Prefecture. Ding Jize, former vice chairman of the Provincial CPPCC Committee, was a member of the group.

In his speech at a meeting of cadres at and above the county level in Anqing City and Chizhou Prefecture held on 2 September, Yang Yongliang called the readjustment of administrative division of Anqing Prefecture a major task of Anhui's economic and political structural reforms, which merits keen attention and must be earnestly and meticulously carried out. He urged party members and cadres in Anqing City and Chizhou Prefecture to consider the overall situation, strengthen unity, stand fast at their posts to strive to do their jobs well, and conscientiously obey arrangements made by the party organization. He also called on leading bodies at all levels in Anqing City and Chizhou Prefecture to give reform top priority in the work of all fields by carrying out the work innovatively and effectively and further developing the productive forces to ensure a sustained and steady progress in the work of all fields. The leading bodies of the city and the prefecture, respectively headed by (Fang Zhaoxiang) and (Liu Sikui), and (Zheng Yongkang) and (Lei Shusheng), have been set up. Efforts are being stepped up to set up organs directly under the city and the prefecture.

#### **Jiangsu Governor on Stabilization of Market** *OW0309052688 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 31 Aug 88*

[From the "News and Press Review" program]

[Text] Gu Xiulian, deputy secretary of the provincial party committee and governor of the province, addressed a meeting held on 31 August for responsible persons from certain provincial departments and bureaus and from party committees of provincial organs to discuss the questions of party building and party members' image during the new period. Gu Xiulian put forward demands for earnest implementation of the State Council's important decisions on doing successful price work and stabilizing the market. She pointed out: The State Council's decisions are the materialization of the central authorities' policy of stabilizing the economy and deepening reform. All provincial departments

should earnestly make arrangements to study and discuss these decisions in conjunction with the actual situation in our province. Then, measures should be worked out for the implementation of these decisions in accordance with the specific situation of their respective departments.

Gu Xiulian called on all provincial departments to achieve success in doing their work. She said: Industrial departments should make every effort to produce more products needed in the market. Transport departments should make all-out efforts to transport commodities and other materials. Commercial, supply, and marketing departments should do their best to make the required commodities available to ensure an adequate supply. Industrial and commercial administrative departments should strengthen market management and maintain a good market order. In short, all should strive with one mind to contribute to the stabilization of the market.

Gu Xiulian expressed the hope that all cadres who are party members working in provincial departments would play an exemplary and leading role in implementing the State Council's decisions. These cadres, she said, should have a clear understanding of the current situation, take overall interests into consideration, and support reform. They should not believe rumors and take part in panic buying of commodities, nor should they engage in commercial activities or running their own business companies. Furthermore, she urged these cadres to educate their sons, daughters, and other family members to do propaganda work and explain the need for a stable market to the masses around them as a way to share the work burden with the party and the state in this regard.

#### **Gu Xiulian Attends Jiangsu Meeting on Prices** *OW0309084988 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 1 Sep 88*

[Excerpt] Acting on instructions from the provincial government, the Jiangsu Provincial Commodity Price Bureau held an emergency meeting of directors of city commodity price bureaus in Nanjing on 30 August to study and implement specific measures on the implementation of an important State Council decision on market prices.

Provincial Governor Gu Xiulian and Vice Provincial Governor Chen Huanyou attended, heard reports from various localities, and gave important talks.

In accordance with State Council instruction, the meeting earnestly studied specific measures for implementing the State Council decision. It called on the local commodity price departments to resolutely implement the State Council decision that no price readjustments be made in the second half of this year. The province shall not make any new price readjustments in the next 4 months of this year. The various provincial departments concerned shall not make any requests for price hikes.

Beginning today, the scope and kinds of commodities for which price ceilings have been removed, will not be expanded within this year; the delegation of power over price controls to lower level organs will be temporarily suspended; and price discipline will be strictly enforced. [passage omitted]

**Xiang Shouzhi Addresses Jiangsu Army Officers**  
OW0309160188 Nanjing Jiangsu Provincial Service  
in Mandarin 2200 GMT 31 Aug 88

[Text] Xiang Shouzhi, commander of the Nanjing Military Region, spoke at a meeting of corps-level political department directors of the Military Region on 29 August.

He said: An arduous and urgent task for leading cadres at all levels at present is to lead the troops in working with the party to overcome difficulties in reform.

Xiang Shouzhi emphasized: At the crucial time of reform, all cadres and fighters, particularly leading cadres, should abide strictly by political and organizational discipline, obey the central authorities' instruction resolutely, and stand the rigorous tests of the price reform, wage reform, and other major reforms. The Army should support, take part in, and defend the reform. Leaders in all localities must strictly [word indistinct] the Army so that it will always keep a high degree of centralism, unity, stability, and ensure a smooth reform process.

**Shandong CPPCC Committee Meeting Ends 2 Sep**  
SK0409005788 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 2 Sep 88

[Text] After successfully fulfilling its agenda, the third standing committee meeting of the sixth provincial CPPCC committee concluded at the Nanjiao Guesthouse in the city of Jinan on 2 September.

During the meeting, participating members heard and discussed a report presented by Vice Governor Ma Shizhong on the situation created by the province in the drive to conduct reform and open to the outside world since early this year. They also shared experiences gained in offering opinions and contributing to developing the export-oriented economy by uniting with personages of various social walks of life and studied how to enhance self-improvement of the provincial CPPCC committee.

During the meeting on the afternoon of 2 September, the participating members approved the work standard of the CPPCC Standing Committee, the general rules for organizing specialized committees, detailed rules for handling motions, draft regulations for the work and tasks of the seventh liaison group of the provincial CPPCC committee, the namelist of candidates to be additional and supplementary members of the social political and legal committee under the provincial CPPCC committee, and several personnel changes.

Li Zichao, chairman of the provincial CPPCC committee, delivered a speech at the meeting. He said: Our country's current drive to conduct wage and price reform represents profound reform in the drive as a whole. Our CPPCC members should extensively unite with personages of various social walks of life and help the party committee and the government successfully overcome difficulties in the profound reform of the drive as whole. In conducting reform, efforts should be consciously made to keep in unison with the CPC Central Committee, to take the entire situation into account, to abide by discipline, and to set examples in doing work.

In his speech, Li Zichao stated: The special committees of the provincial CPPCC committee should actively conduct their work in line with the central task of economic construction and offer opinions and contribute to fulfilling in an overall way the province's plan for national economic development. Efforts should be made to integrate democratic supervision with that of public opinion and to play a role in having the personnel of party and government organs be honest in performing official duties and promoting social morale to further achieve a turn for the better. We should earnestly implement the spirit of the provincial party committee's document on enhancing the united front work of the CPPCC and do a good job in implementing the rules and regulations of the provincial CPPCC committee so as to enable political consultation and democratic supervision to gradually mount a track of regular practice, systematization, and standardization.

Jin Baozhen, vice chairman of the provincial CPPCC committee, presided over the meeting on the afternoon of 2 September. Attending the meeting were vice chairmen of the provincial CPPCC committee, including Kong Lingren, Ding Fangming, Zheng Weimin, Yang Da, Wu Minggang, Wang Zunong, Su Yingheng, and Miao Yongming.

### Central-South Region

**Guangxi Radio Reports on Flood Damage**  
HK0309034388 Nanning Guangxi Regional Service  
in Mandarin 1030 GMT 2 Sep 88

[Excerpts] On 1 September, Regional Party Committee Secretary Chen Huiguang, Guangxi Military District Commander Xiao Xuchu, and Yulin Prefectural Commissioner (Xi Zhufeng) visited severely flood-hit Jiangkou town in Guiping County to direct the flood-fighting and rescue work. [passage omitted] Some 17,000 mu of paddy fields there have been inundated, and some of the masses have been marooned by floodwaters. [passage omitted]

The flood disaster is also serious in Wuzhou Prefecture. By 2 September, 218,000 people in 20 towns in Tengxian, Mengshan, Zhaoping, and Zhongshan counties and in units under the prefectural organs were affected. The floods have inundated 4,223 houses, 49 of which have



collapsed. Some 110,000 mu of late rice have been hit, and 40 water conservancy installations have been destroyed. In addition large quantities of materials for daily life and production have been swept away. In Tengxian County, the worst hit, 162,000 people in 12 flooded townships and towns have been affected. [passage omitted]

The flood disaster in Liuzhou Prefecture is very serious. By today, 420,000 mu of crops in Sanjiang, Rongan, Rongshui, Xiangzhou, Wuxuan, and Xincheng counties were inundated by the great flood. In addition, nearly 30 factories and 40 shops were forced by the floods to halt operations. [passage omitted]

**Hainan's Xu Shijie on Building Up Xisha, Spratlys**  
*HK0709065388 Hong Kong WEN WEI PO in Chinese*  
6 Sep 88 p 2

[Report: "Political Commissar of Hainan Military District on Necessity to Step Up Building of Xisha and Nansha Islands"]

[Text] Haikou, 5 Sep—In response to a reporter's question on territorial integrity and development of the South China Sea at a news conference held here, Liu Guinan, Standing Committee member of the Hainan provincial CPC committee and political commissar of the Hainan Military District, said that Hainan has been part of China's territory for more than 2,000 years. This generation shoulders the responsibility of defending and developing Hainan. Otherwise, we will fail to live up to the expectations of our ancestors and disappoint later generations. Hainan has abundant land and sea resources which should be prospected and developed.

The provincial government and party committee have a clear and definite idea in this regard, Liu said. Governor Liang Xiang pointed out in his report: All nationalities should receive education in national defense and increase their sense of it. Xu Shijie also stressed in his report: We must step up the building of Xisha and Nansha [Spratly] islands. With a powerful defense, we can gain the upper hand on and under the sea.

**Henan Issues Circular on Price Controls**  
*HK0609015588 Zhengzhou Henan Provincial Service*  
in Mandarin 2200 GMT 2 Sep 88

[Excerpts] On 1 September the provincial people's government issued a circular on improving price controls and stabilizing markets.

The circular noted that an executive meeting of the provincial people's government on 1 September earnestly studied and discussed the spirit of the decision made by the 20th executive meeting of the State Council on doing a good job of the present work on prices and stabilizing markets. It also conscientiously reviewed the province's current situation of market prices and discussed measures to be taken.

The circular called on all local governments, administrative offices and all departments directly under the provincial government to do work well in the following ten areas.

1) To seriously implement the spirit of the State Council decision as well as the spirit of the provincial phone conference held on 25 August by the provincial people's government on further strengthening market controls and making efforts to improve markets. [passage omitted]

2) To seek unity of thinking and deepen understanding to explain in depth to the people the spirit of the tentative plan for reforming the price and wage systems mapped out at the 10th session of the CPC Central Committee Political Bureau. [passage omitted]

3) To resolutely implement the decision made by the State Council not to initiate new measures to readjust prices this year. [passage omitted]

4) Governments at all levels should fully understand the present grim situation of market prices and the importance of strengthening price controls. [passage omitted]

5) Government at all levels should make proper arrangements for market supply and make efforts to increase the output of market-oriented goods and increase the supply of daily industrial consumer goods, and particularly to increase the production and supply of nonstaple foods. [passage omitted]

6) To ensure work of purchasing grain, cotton and oil-bearing crops and the state task of ordering the purchase of grain, cotton and oil-bearing crops by contract. [passage omitted]

7) Banks at all levels should take effective measures to make preparations for attracting more money in to savings deposits. [passage omitted]

8) In line with the principle of stabilizing the economy and deepening the reforms, all localities and departments must take resolute measures to curtail the scale of fixed capital investment, suspend and postpone a certain number of nonproductive construction projects, and suspend a certain number of productive construction projects which are not included in the state plans after they have been sorted out. Meanwhile, strict controls must be exercised on the purchasing power of social groups and the increase of the consumption fund. [passage omitted]

9) Further efforts must be made to strengthen price controls, price supervision, and price checks and resolute measures taken to stop arbitrary price increases. [passage omitted]

10) Efforts must be made to further strengthen supervision and controls over the market fair in the urban and rural areas as well as other types of markets. [passage omitted]

### Southwest Region

#### **Chengdu PLA Commander Addresses Tibet Cadres** *HK0709015788 Lhasa Tibet Regional Service in Mandarin 1330 GMT 6 Sep 88*

[Text] The Tibet Military District held a gathering of cadres at and above platoon level in Lhasa on 6 September, at which CPC Central Committee member and Chengdu Military Region Commander Fu Quanyou made an important speech on how the PLA units in Tibet should implement the Central Military Commission's military strategy of strengthening the borders and consolidating the state.

A work group headed by Fu Quanyou arrived in Tibet on 18 August. Also in the group are Chengdu Military Region Commander Ma Bingchen and Deputy Chief of Staff Yang Anzhong.

After conducting a thorough investigation of work in the Tibet Military District, Commander Fu Quanyou held that the military district has faced arduous tasks in recent years. Guided by the 13th National CPC Congress spirit, the district has persistently made reform dominate the overall scene and done a good job in border defense construction and in the border defense struggle. In particular, the military district has scored marked achievements in stepping up the units' military training and combat-readiness, resolutely upholding the unity of the motherland and nationality solidarity, implementing the three regulations for cadres, and in all-round strengthening of grass-roots building. The Chengdu Military Region CPC Committee is satisfied with these achievements.

At the cadre meeting on 6 September, Commander Fu Quanyou made an all-round analysis of the international situation, the situation on the border, and the current state of [words indistinct]. He focused on strengthening unity between army and people and between Tibetans and Hans, and implementing the strategic principle of strengthening the borders and consolidating the state. The speech included the following main aspects:

1. Gain a true understanding of the Tibetans' outstanding history and culture and of the Tibetan people's heroic deeds in opposing aggression and subversion and their characteristics of hard work and wisdom.
2. Use a common goal to unify the thinking of the (?army and people). In Tibet, preserving the integrity of national territorial sovereignty, ensuring the security of the borders, and building a united, well-off, and civilized new socialist Tibet constitute the common goals for endeavor of the army and people in Tibet in the current stage. Only by persevering toward this goal can the army and people [words indistinct].
3. In developing commodity economy, we should strive to do good and practical deeds for the Tibetan people,

Fu Quanyou said: To consolidate and develop army-government and army-people unity, it is necessary to establish a number of concepts. First, we must establish the concept of strictly observing policy and laws. Second, we must establish the concept of upholding the [word indistinct] legitimate rights. Third, we must establish the concept of taking simultaneous account of political impact and material interests. Fourth, we must establish the concept of doing good and practical deeds for the Tibetan people.

### Northeast Region

#### **Liaoning's Quan Shuren on Party Discipline** *SK0709025488 Shenyang LIAONING RIBAO in Chinese 23 Aug 88 p 1*

["Excerpts" of speech by Quan Shuren, secretary of the Liaoning Provincial CPC Committee, delivered at a forum of city and county party committee secretaries held from 16 to 20 August]

[Text] Comrades:

The present forum of city and county party committee secretaries aims mainly at exchanging the experiences of our province's discipline inspection work, and at studying ways to successfully carry out this work in the new situation of reform and opening up. I will now speak on some opinions on several issues, such as running the party strictly.

#### **1. Persistently Run the Party Strictly, and Keep the Party and Government Organs Clean and Honest [subhead]**

The report to the 13th party congress pointed out that all the party's work in the new period should be carried out to ensure the implementation of the party's basic line, and that party building should also be reformed to suit the new situation of reform and opening up. In line with this requirement, the recent central organizational work conference once again stressed the issue of running the party strictly, which is a guiding ideology for the party building in the new period. The party's discipline inspection organs should take the initiative in fulfilling the task of running the party strictly because it involves the work of how to handle unqualified party members and eliminate corrupt elements. Running the party strictly is a task decided on by the nature of our party, and the current situation of its contingent. It is an objective demand of the ruling position of our party and the situation of reform and opening up, and also a realistic measure to ensure that party and government organs are clean and honest.

Based on the consistent ideology of Comrade Xiaoping, Comrade Ziyang called for "making the economy flourish and keeping party and government organs clean and honest," which embodies the party Central Committee's guiding principle of attending to the two civilizations simultaneously. Recently the party Central Committee

issued a document, and once again put the issue of remaining clean and honest before all the communist party members and work personnel of the entire party and state organs. Leading comrades of party and government organs at various levels should thoroughly study the guidelines of this important instruction of the party Central Committee, regard the work of remaining clean and honest as a major task, place it high on the agenda, and adopt realistic measures to carry it out successfully in a down-to-earth manner.

First, we should further enhance our understanding. Because our party is in a ruling position, whether party and state organs can remain clean and honest is an issue concerning the image of the party and government among the masses, and deciding whether or not social conduct is good and the various undertakings are developed. As our party is situated in a position of reform and opening up, and the overall reform has entered a crucial stage during which it should go through the unavoidable difficulties of price and wage reforms, whether or not party and state organs can remain clean and honest has become an issue concerning the will of the people and the success of reform. In the process of reform and opening up, we cannot avoid the struggle against corruption within the party. If we do not persist in running the party strictly and keep the party and government organs clean and honest, the body of the party and the state will be corroded, reform and opening up will be interfered with and damaged, and the economy will not become flourish. Second, leading cadres should take the lead. To keep the party and government organs clean and honest, it is first necessary for the major leading cadres of the leading bodies at the provincial as well as city and county levels to take the lead in remaining clean and honest. As far as the province is concerned, the leading bodies of our provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress, government and CPPCC Committee should be the first to make this work successful. The provincial party committee recently issued a document, formulating several regulations for members of the provincial-level leading bodies to remain clean and honest. Some provincial-level leading comrades who assumed concurrent posts at companies or enterprises have resigned from these posts. With regard to the reports that some people in the departments wrote notes requesting something from enterprises, we conducted examinations one by one. From now on when leading cadres go to the grass roots to inspect work, they should take meals according to the standard, and no dinner parties should be given to them. Dishes that are above the standard should be removed, and the people should not feel "losing face" about this. We mean what we say this time. In the past when the standard was not clear, examinations were difficult, but as the standard is now clear we should conduct examination. I believe that if our provincial, city, and county leading bodies all act as an example, the issue of keeping the party and government clean and honest will be resolved very successfully. Third, we should resolutely investigate and handle those who are not clean and

honest. At present the masses have many complaints about the party and government organs which are not clean and honest. A reason for this is our inefficiency in investigating and handling corrupt and dishonest deeds. Some people say that the present situation is that "If the people do not report on such deeds, the government will not investigate them." I think this is not correct. I think the present situation is that "If the government does not investigate, the people will not report on such deeds." If we do not conscientiously investigate and handle the problem of power abuse for selfish gains, the people's initiative in exposing this problem will be dampened. We should adopt all possible means to change such a situation, and resolutely investigate and handle the corrupt elements who violate law and discipline. With regard to some serious cases, leading comrades of party committees should investigate and handle them personally until they are thoroughly resolved. Fourth, we should keep party and government organs clean and honest through deepening reform. For example, in a company where government functions are not separated from business management, corrupt and dishonest deeds and power abuse for selfish gains will appear easily. We should be determined to separate government functions and business management resolutely. We should unfailingly delegate to enterprises the power they are entitled to. Those who are engaged in the management of enterprises and institutions should not have administrative power and should not exercise government functions. Enterprises should be separated from the departments in charge of them, and from financial departments. The organs which exercise government functions are not permitted to engage in enterprise management. No department is permitted to be a government organ and an enterprise at the same time, and no one is permitted to be an official and engage in business simultaneously. In addition, in police stations, industrial and commercial administrative stations, tax stations, and real estate stations, the power is held by a few people, whose work is not visible to the masses, and who make things difficult for and ask for something from the masses. We should study and work out some systems to change such a phenomenon. Fifth, we should strengthen democratic supervision. Within the party, we should hold democratic meetings and conduct criticism and self-criticism. With regard to office cadres, we should establish a system under which the masses conduct public appraisals of their performance at regular intervals, and reward or punishment, and promotion or demotion are meted out according to their performance. Inspection and supervisory organs should establish report centers to encourage the masses to expose the unhealthy trends and corrupt deeds of the cadres of party and government organs. Propaganda and media departments should also expose and criticize unhealthy trends and corrupt deeds whenever they are discovered, and do a good job in supervision through the media. Party and government organs should make their affairs public, and make the party's principles and policies, the various rules and regulations, the procedures for doing work, and the



persons responsible for the work more visible to the masses. However, instead of engaging in formalism, they should stress actual results in this work.

## 2. Continue To Uphold the Practice of the Entire Party Paying Attention to Party Style

Through the attention paid to party style over the past few years, we have gained an experience—party style can be improved only through the efforts of the entire party instead of discipline inspection commissions alone. However, this experience has not become the common understanding and voluntary act of party organizations at various levels and party and government leading cadres. The phenomenon in which the party does not handle party affairs still exists. Some localities regard correction of party style as work for discipline inspection commissions alone instead of considering it as important work for party committees and attaching due importance to it. For this reason, they do not conduct any investigation and study of the party style problems that they themselves should solve according to their authority, turn a blind eye to them, do not understand them, and even set correction of party style against the endeavor to invigorate the economy. We should solve this problem. Party committees at various levels should stand at the fore of the work to improve party style, and discipline inspection commissions at various levels should play an important role in this work. In performing this work, we should persist in the practice of each level holding the responsibility for its immediate lower level. The provincial party committee is responsible for the work of city party committees and provincial-level organs, and city party committees are responsible for the work of county and district party committees, city-level organs, and large enterprises. Major leaders of party committees should lead others in improving party style. Only when leading bodies of party committees truly pay attention to party style can party committees and various government departments of various localities exert concerted efforts to improve party style. It should be noted that reform of party and government leadership systems and separation of party and government functions have provided a very favorable condition for truly implementing the practice that the party should handle party affairs. Party committees at various levels should make the best use of this favorable condition, work in an active manner, devote more time and energy to improvement of party style, study and analyze the situation in party style at regular intervals, and adopt measures to tackle existing problems. If we persist in this way of doing work, party style will certainly be improved.

## 3. Party Committees Must Attach Importance to and Support Discipline Inspection Work.

As discipline inspection commissions occupy a very important position under the new historical conditions, they should play a more important role. Some people

think that, following the separation of party and government functions, the tasks for discipline inspection commissions have become lighter and their role less important. Such a view is wrong. According to the party Constitution, following the separation of the party and government, none of the three tasks for discipline inspection commissions have been reduced, only the issues concerning administrative discipline were transferred to supervisory departments for handling. Party committees at various levels should fully understand the importance of the discipline inspection work in the new period, conscientiously strengthen leadership, and enforce discipline more strictly and exert more efforts to improve party style and party discipline when reform is carried out more deeply. We should show concern for discipline inspection cadres in the areas of politics, ideology, organization, and everyday life, and make regular study of and arrangements for discipline inspection work. At the time when there are more difficulties in discipline inspection work, party committees should all the more safeguard and support the authority of discipline inspection departments, and voluntarily help them eliminate obstacles. Party committees should protect the discipline inspection cadres who are attacked in retaliation for their adherence to principle and impartiality in handling cases, and should sternly handle those who attack in retaliation so as to support discipline inspection commissions to perform their functions normally. Leading members of party committees should also subject themselves to the supervision of discipline inspection commissions. Discipline inspection commissions at various levels should actively carry out their work, report their work to party committees in a timely manner, and win the leadership and support of party committees.

Reform is currently in a crucial stage. It is hoped that discipline inspection commissions at various levels will bear the interests of the entire party in mind, continue to work actively and diligently, adhere to principles, enforce discipline impartially, perform their duty in an honest manner, be upright and never stoop to flattery, and make new contributions to improving party style and developing Liaoning.

## Northwest Region

**Northwest Grid To Restrict Electricity Supplies**  
*HK0409054988 Xian Shaanxi Provincial Service  
in Mandarin 2330 GMT 2 Sep 88*

[Text] There was little rain on the upper Huang He during the flood season this year, and the electric power shortage in the northwest will intensify in the coming winter and spring. The northwest power grid has decided to restrict power supplies, beginning in September.

During the flood season, there was a marked drop in the flow of the upper Huang He due to drought and little rain. Data provided to journalists by the Northwest Power Administration Bureau shows that the average flow of the Huang He at Longyangxia in July was 42.6

percent below the previous average for the time of year. The flow in this section of the river has not increased during August. As a result, water storage at the Longyangxia and Liuyangxia reservoirs is 1.66 billion cubic meters less than at this time last year. This has intensified the power shortage on the northwest power grid.

The Northwest Power Administration Bureau has therefore decided to institute restricted power supplies in September, which is earlier than usual. It is hoped that the leaders at all levels will make early arrangements for power consumption in industry and agriculture in the coming winter and spring, to avoid affecting production and people's daily life.

**Qinghai Store Causing Panic Buying Disciplined**  
*OW0709045788 Beijing XINHUA in English*  
1331 GMT 6 Sep 88

[Text] Xining, September 6 (XINHUA)—A department store in Xining, capital of northwest China's Qinghai Province, was recently disciplined for causing a panic when it advertised falsely that the price of leather shoes would be going up.

The store attached to the number four leather shoes factory of Xining warned customers in a poster that the state-set price of shoes would rise 15 percent on September 1.

The notice created a panic to buy and the store then decided to announce the price would go up 45 percent.

The buying frenzy got out of control and the provincial price bureau had to step in and expose the deceit.

**Xinjiang Border Militiamen Undergo Training**  
*HK0709034988 Beijing RENMIN RIBAO*  
in Chinese 27 Aug 88 p 4

[Report: "Education in Border Defense Conducted Among 36,000 Militiamen in Ili, Xinjiang"]

[Text] To improve the quality of border militia, Xinjiang's Ili military subdistrict sent cadres to pastureland and rural areas to conduct education in border defense among the militiamen. Some 36,000 militiamen from various nationalities in the prefecture systematically acquired knowledge on border defense.

The Ili military subdistrict has a long border and many militiamen live near the border throughout the year. In the past the militia could not give full play to their role while performing duties because they did not know much about border discipline and policies. In May this year the military subdistrict compiled a pamphlet on border knowledge and sent cadres to the militia units at the grassroots level to teach the tasks of militia in the new period, current policies, knowledge on all kinds of arms and equipment, and border policies and discipline. Now violation of discipline has decreased markedly in the duties performed by the militiamen and no violation of discipline has occurred since July of this year.

**Commentator on Chen Li-fu Reunification Proposal**  
*HK0709094788 Beijing RENMIN RIBAO in Chinese*  
7 Sep 88 p 1

[RENMIN RIBAO Commentator's Article: "Mutual Trust and Cooperation To Promote Reunification of the Motherland —on Proposal Made by Chen Li-fu and Others of the Kuomintang Central Advisory Committee"]

[Text] Thirty-four members, headed by Mr Chen Li-fu, of the Kuomintang Central Advisory Committee, presented a proposal on China's peaceful reunification at the first meeting of the Central Advisory Committee held after the conclusion of the Kuomintang 13th National Congress. This proposal has attracted full attention of the Chinese people.

This proposal calls for "reunifying China with Chinese culture," noting: "China's reunification is the common aspiration of all compatriots on both sides of the Taiwan Strait and overseas. It is thus a mere matter of time." It also points out: China's reunification "must be achieved by the Chinese themselves with their own efforts." "To seek reunification, it is necessary to establish a common faith. With the establishment of the common faith, there will be mutual trust. Mutual trust will bring about unity and reunification." The process of reunification should be to establish mutual trust on the basis of Chinese culture followed by the "joint establishment of a 'Committee for Promoting the State Industrial Plan'" to develop economic cooperation between the two sides of the strait, and then realize the peaceful reunification of the motherland through "political readjustments and consultations." Although the proposal contains some inappropriate wordings, it advocates China's peaceful reunification, dialogue and consultations, mutual trust, and cooperation. It also spells out some specific tentative ideas to that effect. This complies with the historical tides on both sides of the Taiwan Strait of the people's strong demand for reunifying China by peaceful means and reinvigorating China. We admire the positive attitude adopted by the 34 members, including Mr Chen Li-fu.

The reunification of the motherland is a historical task to be confronted by all Chinese. It is also our historical responsibility. In order to realize China's peaceful reunification, the CPC has taken the initiative by presenting a series of sincere proposals since 1979 and has introduced due actions. This has not only relaxed the tense situation along the Taiwan Strait, but it has also created a fine environment for developing normal economic and cultural exchanges between the two sides of the strait. After Mr Chiang Ching-kuo passed away, the CPC Central Committee sent a message of condolence, while Zhao Ziyang, general secretary of the CPC Central Committee, made a statement, hoping that "the situation in Taiwan will remain stable, the society will remain peaceful and tranquil, the economy will continue to develop, and the people will live and work in peace and contentment there." After Mr Li Teng-hui was elected as chairman of the Kuomintang, Zhao Ziyang sent him a

message of congratulations, sincerely hoping that the Kuomintang and the Communist Party of China, together with all the compatriots in the country, will join their efforts to realize the great cause for China's reunification at an earlier date. When Zhao Ziyang met with U.S. Secretary of State Shultz on 15 July, he said: "Both sides of the strait also share a lot in common and a strong foundation in politics, economics, culture, and tradition for the realization of China's reunification." All this indicates the sincerity of the CPC to proceed for the nation's righteous cause.

Both sides of the Taiwan Strait agree that there is only one China, oppose the independence of Taiwan, and advocate peaceful reunification. All Chinese shoulder an unshirkable historic duty to achieve China's reunification. The country's peaceful reunification is in the highest interest of both sides of the strait. No party should place its own interest above that highest interest, attach "pre-requisites", put up obstacles or artificially delay the time for China's reunification. Not long ago, Chairman Deng Xiaoping said: "All the people who love the Chinese nation should unite and join their efforts to realize the country's reunification." Based on the spirit that peace is of great value, the Kuomintang and the CPC, bodies that shoulder this historic mission, should sit down as soon as possible to start a dialogue, put aside resentment, reach an understanding, and jointly promote China's reunification with all patriotic political organizations and people. Mr Chen Li-fu and others have said it well: China's reunification "must be achieved by the Chinese through their own efforts." "Reunification cannot be achieved according to the wishes of or with help from a third party." "If reunification is a hope, limited contacts are unavoidable." Otherwise, misunderstanding will only increase, the iceberg will never thaw, and China's peaceful reunification will be delayed for a long time or even for an indefinite period if both sides do not contact each other and hold dialogue. We believe that as long as negotiations begin, all issues can be discussed through consultations and can be resolved properly. The Kuomintang and the CPC can first reach an understanding on the peaceful reunification and present a plan for China's peaceful reunification to be discussed by all Chinese. We welcome anyone who presents a positive and rational plan or proposal for the peaceful reunification of the motherland, and we are willing to consult and cooperate with such person or persons.

The Chinese nation has a long history and a brilliant culture. It has made great contributions to the world's civilization. The nation's culture has a tremendous cohesive force that constitutes an important foundation for the establishment of common faith and mutual trust on both sides of the strait. The fine tradition of the nation's culture has helped maintain the nation's unity and reunification for thousands of years, and prevented the Chinese nation from extinction when it experienced many disasters. It is the root of all the Chinese. Such tradition has been brought into full play and developed further by relying on the nation's unity. In Chinese



history, those who distinguished themselves in carrying forward and developing the fine tradition of China's national culture had invariably advocated the nation's reunification. Both the Kuomintang and the CPC seek to inherit and carry forward the fine tradition of China's national culture and to reinvigorate China, sharing a common basis for the country's reunification through dialogues and consultations.

The expansion of economic exchanges across the Taiwan Strait is a practical step toward the peaceful reunification of the motherland. It is commendable that the proposal by Mr Chen Li-fu and others also contains positive and constructive ideas on this. Right now, Taiwan's economy is at a turning point, while the economic reform on the mainland is also entering a crucial period of strengthening and acceleration itself. The economies of both sides have advantages as well as disadvantages. They are able to complement each other. Now is a good time for both sides to promote cooperation. We advocate the expansion of economic relations between the two sides of the strait on the basis of equality and mutual benefits as well as exchanges to supply the needs of both sides and promote common prosperity. We welcome Taiwan to promote contacts and consultations for the building of harbors, airports and railways, the exploration of natural resources, the development of export-oriented economy and high technological products, and the construction of coastal special economic zones on the mainland. It is hoped that both sides will cooperate with each other in economic and cultural areas. We would like to consult on this with the Taiwan authorities on the mainland, in Taiwan or in another place at an early date.

According to a press report, the proposal made by Chen Li-fu and others has been referred to the standing committee of the Kuomintang Central Committee for deliberation. The broad masses of compatriots at home and abroad are watching the development closely. If the positive proposal made by Mr Chen Li-fu and others is put into practice, it will definitely create a positive influence on the development of the relations between the two sides of the strait and on the cause of peaceful reunification of the motherland.

**Weekly on Improving Relations With Taiwan**  
HK0609081988 Hong Kong LIAOWANG OVERSEAS  
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[Article By Yao Yiping (1202 0001 1627) of the Institute of Taiwan Studies of the Chinese Academy of Social Sciences: "Improve the Relations Between the Two Shores of the Taiwan Strait With Sincerity"]

[Text] Although the 13th Kuomintang [KMT] National Congress has ended, Taiwan's public opinion continues to comment on "the policies toward the mainland at the present stage" passed by the 13th KMT National Congress. Taiwan's public opinion generally believes that the policies toward the mainland recently formulated by the

KMT "are too conservative", "do not contain anything new", "contain too many slogans", "have unclear implications", and "are too detailed, impractical, and unrealistic." The Taiwanese public is somewhat disappointed by the authorities' new policies toward the mainland.

However, I have noticed that the policies toward the mainland recently formulated by the 13th KMT National Congress under the strong pressure of criticisms voiced by the deputies to the 13th KMT National Congress have made some progress from the KMT's former policies toward the mainland. For example, there are now new restrictions on the scope of the implementation of the policy of "Three No's." As for who should adhere to the policy of the "Three No's," the former more general term "we" has been replaced by the more specific term "the government." However, generally speaking, the policies recently formulated by the 13th KMT National Congress still lag behind the trend of development and public opinion and should be further amended. Now is the crucial moment for both shores of the Taiwan Strait to develop their relations. Both the CPC and the KMT should demonstrate sincerity and contribute jointly to the further improvement of relations between the two shores of the Taiwan Strait, so as to relax tension between the two shores of the Taiwan Strait and push forward with the development of the peaceful reunification of China. However, in order to accomplish all these goals, the CPC and the KMT should first of all take the following steps:

#### Reduce Animosity and Stop Offensive Propaganda Against Each Other [subhead]

At present, the people on both shores of the Taiwan Strait are anxious to see a "major breakthrough" in their relations, which have been severed for 40 years. The people on both shores of the Taiwan Strait also hope to see the authorities open their doors to each other and allow their people to visit their relatives, sightsee, and carry out cultural, academic, artistic, and athletic exchanges and to allow Taiwan's industrial and commercial circles to develop direct trade relations with their mainland counterparts, make investments on the mainland, set up enterprises on the mainland, and so on. All these things are not only the will of the people on both shores of the Taiwan Strait, but are also the irresistible trend of history. The Chinese people should be allowed to carry out freely all sorts of legitimate activities on Chinese territory. This is a basic human right. The authorities on both shores of the Taiwan Strait do not have the right to deprive the Chinese people of this basic human right. Some technical questions involved in the exchanges between the two shores of the Taiwan Strait can be resolved easily. The authorities on either side of the Taiwan Strait should first of all create a good atmosphere for free exchanges between the people living on both shores of the Taiwan Strait. Both the CPC and the KMT should take into account the overall situation of China and the world, adopt the principle of "looking forward," and stop launching hostile propaganda against each other.

Over the past 10 years, the CPC authorities on the mainland have never carried out any offensive propaganda against Taiwan. It is known to all that the CPC has stopped using the term "liberation of Taiwan" and now refers to the peaceful reunification of the motherland. This change signifies an important strategic change in the CPC's policies toward Taiwan. The proposition of "one country, two systems" put forward by the CPC is a strong manifestation of the CPC's greatest sincerity in seeking the peaceful reunification of China. The CPC has stopped all types of military activities, including symbolic military activities, in the Taiwan Strait. Now the Taiwan Strait has become a peaceful strait. The CPC has also adopted some practical measures to welcome Taiwanese compatriots to the mainland to visit their relatives and has always adhered to the principle of allowing Taiwanese compatriots who come to the mainland to visit their relatives to come and go freely. After Mr Chiang Ching-kuo passed away, the CPC Central Committee sent a telegram of condolence to Taiwan. After Mr Li Teng-hui was elected chairman of the KMT at the 13th KMT National Congress, the CPC Central Committee also sent a message of congratulations to Taiwan. These gestures are not "united-front traps" or "united-front schemes," but the manifestation of the CPC's true sincerity in "reconciling" with the KMT. And history will prove this sincerity to be true.

To the KMT authorities, the anticommunist burden is very heavy. It was quite improper for the 13th KMT National Congress to have sung the lofty anticommunist tune and accuse the CPC of trying to realize its united-front goal "by fair or foul means", "lacking genuine sincerity", "sticking to its wicked nature", "disguising itself and using subversive tricks", and so on.

Recently, commenting on the motion proposed by Chen Li-fu and 30 other members of the Advisory Commission of the KMT Central Committee, the KMT authorities said that the CPC is "very sinister, ruthless, and cunning." Such a vicious attack on the CPC is certainly not conducive toward eliminating the past resentment between the KMT and the CPC or improving relations between the two shores of the Taiwan Strait. Now the people on both shores of the Taiwan Strait are disgusted by the practice of placing the struggle between the KMT and the CPC above China's national interests.

I think that although the motion proposed by Chen Li-fu and others that demands that the CPC discard its adherence to the four cardinal principles is somewhat unrealistic and possesses the rich color of a "psychological war," it does contain something that is worthy of consideration by the authorities on both shores of the Taiwan Strait. For example, the motion proposed by Chen Li-fu and some others advocates that "seeking reunification be based on mutual trust. The Chinese culture is the best condition for the establishment of mutual trust." The motion also advocates developing and utilizing the economic advantages on both shores of the Taiwan Strait and "jointly setting up a 'State Industrial Plan Implementation Committee'" to

jointly develop the mainland economy and enable the KMT and the CPC to carry out limited exchanges. From this we can see that some members of the Advisory Commission of the KMT Central Committee have their own political stands and also hope to see the reunification of the motherland and the emergence of a prosperous China. Although the KMT and the CPC have their own political convictions and doctrines, they should not force their political convictions and doctrines on each other with regard to the question of national reunification. Only by gradually reducing their animosity and political differences and increasing mutual understanding will the KMT and the CPC really be able to speed up the development of the cause of the peaceful reunification of China.

#### Eliminate Misunderstanding and Make the Position on One China Clear [subhead]

Some recent developments show that the KMT and the CPC have not only had some differences but some misunderstandings as well. To be more exact, neither side has made its position clear to the other. As a result, some misunderstandings have emerged between the two shores of the Taiwan Strait. For example, both the KMT and the CPC agree to the principle of one China. Mr Li Teng-hui said: "There is only one China" and "China must be reunified." Mr Li Teng-hui also opposed any move toward Taiwan's independence. He said that "any proposals to split the country are against the people, will not be allowed by our nation's cardinal principles of righteousness or the state law, and will certainly be rejected by the people of the country."

However, only 100 days after the death of Chiang Ching-kuo, Taiwanese officials put forward the principle of "dual recognition," aimed at "separating national reunification from diplomatic recognition" to Taiwan's Legislative Yuan. What they really tried to do was follow the examples of North and South Korea and East and West Germany and establish diplomatic relations with countries that already had diplomatic relations with the mainland, with the help of Taiwan's economic strength. This is a proposition aimed at publicly creating two Chinas. The Taiwanese authorities also stressed that it is necessary to use more realistic and more flexible methods to "make a breakthrough in Taiwan's foreign relations by establishing substantive diplomatic relations with other countries" and developing "semi-official" and "official" relations with other countries. Recently, Taiwanese officials have also accused the CPC of "repeatedly trying to isolate Taiwan in the international community" and said that the "Taiwanese government must adhere to its policy of 'Three No's' and that it is necessary for the Taiwanese government to maintain the status quo of relations of mutual movement between the two shores of the Taiwan Strait." Since these remarks contradict Taiwanese authorities' consistent stand that there is only one China, people cannot help wondering what the Taiwan authorities are trying to do.

The international community generally accepts the government of the PRC as the sole legitimate government of China and believes that Taiwan is part of China. The international community also generally accepts the principle of one China, which is represented by the government of the PRC. Under these circumstances, if the Taiwanese authorities really want to adhere to the principle of one China, they have only two choices: One is to adhere to the policy of "not establishing diplomatic relations with countries that have already established relations with the PRC." According to this policy, the Taiwanese authorities should sever diplomatic relations with countries that have diplomatic relations with the PRC and withdraw from international organizations in which the PRC participates as a member. In the past, the Taiwanese authorities always followed the policy of "severing relations with countries or international organizations that have relations with the PRC. The other choice is to face up to the international reality, reconcile with the CPC, seek the reunification of China, and make proper and rational arrangements for Taiwan on the premise of unified sovereignty. Under the circumstances that the international community can only accept one China, if the Taiwanese authorities try to develop official relations with countries that already have established diplomatic relations with the mainland, try to enter official international organizations as an independent political entity, or try to acquire an independent international status, it follows that the Taiwanese authorities will be regarded as practicing "Two Chinas" or "One China, one Taiwan." The CPC will certainly not allow the Taiwan that is part of China to enter official international organizations because if the CPC agreed to such a move, it would mean that the CPC no longer adhered to its principled stand of one China. So, it is not true that the CPC has been deliberately trying to "isolate Taiwan" in the international community.

Recently, the Taiwanese authorities have stated that the prerequisite for the readjustment of relations between the two shores of the Taiwan Strait is that the CPC allow Taiwan to join official international organizations. The Taiwanese authorities also stated that if the CPC continues to "isolate" Taiwan in the international community, it will choose to "maintain the status quo" in the relations of mutual movement between the two shores of the Taiwan Strait. This is a very improper statement, demonstrating the Taiwanese authorities' lack of sincerity about improving relations between the two shores of the Taiwan Strait. It seems that the Taiwanese authorities are trying to force the CPC to make concessions in principle in order to create "two Chinas" or "One China, one Taiwan."

As everyone knows, over the past decades, the CPC has always adhered to the stand of one China. Therefore, I think that the above mentioned position taken by the Taiwan authorities is by no means a wise one since it will puzzle and worry the people on the mainland. It is time for the Taiwanese authorities to clarify their self-contradictory position.

Comply With the Will of the People and Expand Economic and Trade Relations Between the Two Shores of the Taiwan Strait [subhead]

Recently, the Taiwanese authorities have tried in every way to prevent Taiwan's industrial and commercial circles from carrying out direct trade with the mainland and from making direct investments and setting up enterprises there. The Taiwanese authorities have stressed that Taiwan still has a lot of trade with the United States, Japan, Western Europe, Southeast Asia, and some other countries and that there is no need for Taiwan's industrial and commercial circles to make investments on the mainland and to fall into the "united-front trap" set by the CPC. The Taiwanese authorities' stand of preferring to cooperate with foreigners rather than with their Chinese compatriots is by no means a proper one either in regard to the nationalist stand or in regard to the objective law of economic development. As a matter of fact, the economic developments on both shores of the Taiwan Strait can complement and promote each other. The broad masses of Taiwanese entrepreneurs have already "given positive responses" to the mainland market and have demanded that the Taiwanese authorities allow them to make investments on the mainland, set up enterprises there, and carry out direct trade with the mainland. Many Taiwanese entrepreneurs believe that the "future" of Taiwan's economic development "lies in the mainland" and are willing to risk making investments there. What they want the Taiwanese authorities to do is to lift the ban on Taiwanese carrying out direct trade with the mainland and making direct investments on the mainland.

The objective demand of the economic developments on both shores of the Taiwan Strait has determined that economic and trade relations between the two shores of the Taiwan Strait will be further developed. No one can stop this trend. The objective demand of the economic developments on both shores of the Taiwan Strait will eventually clear away the ideological and artificial obstacles obstructing the further development of the economic and trade relations between them. Taiwan's LIEH-HO PAO published on 5 August 1988 an article saying: "The present situation of Taiwan can be compared to that of the United States at the beginning of 1970, when the United States experienced a mainland craze. Now Taiwan is experiencing those romantic dreams and beautiful illusions, which are not being taken seriously by the authorities or regarded as threatening." This shows that the efforts made by the Taiwanese authorities to prevent Taiwan's industrial and commercial circles from carrying out direct trade with the mainland and making direct investments and setting up enterprises there have failed to dampen Taiwanese compatriots' enthusiasm in carrying out various types of exchanges with the mainland and have not stopped Taiwanese compatriots from thinking about the mainland. It is impossible for the Taiwanese authorities to rebuild an anticommunist psychology among the Taiwanese at the end of the 1980's, which is characterized by a worldwide rapid exchange of



commercial information, especially at a time when the Taiwanese authorities have lifted the ban on Taiwanese visiting their relatives on the mainland. Our ancestors said: If a governor does not do things in compliance with the will of the governed, then the governor cannot enjoy the support of the governed. I think that the Taiwanese authorities should study carefully this ancient Chinese saying. If the Taiwanese authorities fail to comply with the will of the people with regard to lifting the ban on the development of relations, especially economic and trade relations, between the two shores of the Taiwan Strait, it will be impossible for Taiwan's political situation to remain stable or experience further development.

**Naming of Taiwan Asiad Team Still an Issue**  
*OW0609131388 Tokyo KYODO in English 1134 GMT  
6 Sep 88*

[By Masakazu Oyama]

[Text] Seoul, Sept. 6 KYODO—A top Chinese Olympic official Tuesday avoided making a clear-cut reply on the ticklish matter of the naming of Taiwan in connection with the latter's planned participation in the 1990 Beijing Asian Games.

In an exclusive interview with KYODO NEWS SERVICE, Wei Jizhong, secretary general of the Chinese Olympic Committee, pointed out that China had learned of Taiwan's intention to enter the Beijing Asiad only through newspaper reports and has as yet not heard any formal announcement to this effect from Taiwan.

Although it welcomes Taiwan's participation in principle, China is of the view that it will consider Taiwan's request for the use of a certain Chinese character for the nation's name only if the island nation formally asks.

The key thing is for Taiwan to really wish to participate in the Games, Wei added.

In July, Chinese Taipei Olympic Committee President Chang Feng-shu said it would like to compete in the Beijing Asian Games, but only if a dispute with Beijing over what Chinese name to accord the Taiwanese team can be settled.

Beijing does not recognize Taiwan as a national entity, regarding it merely as a breakaway Chinese province. The Chinese name Taiwan has been requesting suggests a national cultural entity situated in the center of the world.

The International Olympic Committee (IOC) decided to call Taiwan "Chinese Taipei" in 1979 to settle the problem of "two Chinas."

But, at the time, the IOC decided only on the English appellation and did not make any decision on Taiwan's Chinese name.

While China has been using Chinese characters corresponding to Chinese Taipei, Taiwan has been seeking to use a different character for the "China" portion of Chinese Taipei.

**Joint Trade Arbitrators Meet in Hong Kong**  
*HK0609144188 Beijing RENMIN RIBAO in Chinese  
26 Aug 88 p 1*

[Report: "Forum on Trade Arbitration Across Taiwan Strait Held in Hong Kong"]

[Text] Representatives of trade arbitration organizations from both sides of the Taiwan Strait reached common understanding on some issues at a forum held in Hong Kong on 20 August. Both sides realized the importance of trade arbitration across the straits and made studies on the possibility of setting up an arbitration organization in a third region acknowledged by the judicial organs of both parties. According to an agreement reached at the forum both sides will exchange relevant information on the terms of arbitration through the Hong Kong Taiwan Trade Association in the future.

The Hong Kong Taiwan Trade Association invited representatives of trade arbitration organizations from both sides of the Taiwan Strait to the "Forum on Trade Arbitration Across the Taiwan Strait" sponsored by the association on 20 August.

At the forum, both sides reached common understanding on the following points in a harmonious atmosphere: First, affirm the importance of trade arbitration across the strait; second, both sides will increase exchanges of relevant information through the Hong Kong Taiwan Trade Association; and third, establish an arbitration organization or channel in a third region acknowledged by the judicial organs of both sides.

Deputy Director Liu Shaoshan, members Liu Gushu and Dong Youjin, and deputy representative Liu Chengxiong of the China Foreign Trade Arbitration Committee in Hong Kong; and Director Huang Mien-mien, Secretary General Kao Hui-min, and Deputy Secretary General Huang Chih-hsing of the Taiwan Trade Arbitration Association attended the forum.

At the forum Ting Kai-en, chairman of the Hong Kong Taiwan Trade Association, said that economic and trade exchanges between both sides of the strait have developed rapidly. While there is yet a lack of laws commonly acknowledged by both sides, trade arbitration should be regarded as the best way to resolve trade disputes.

Huang Mien-mien, director of the Taiwan Trade Arbitration Association, hoped that the forum would yield positive results. With more than 100 registered arbitrators the association has a history of over 30 years. Liu Shaoshan, deputy director of the China Foreign Trade Arbitration Committee, said that an arbitration organ is

just a nongovernment organ needing the support of the courts. The arbitration organs from both the mainland and Taiwan are now seeking such support.

**Taiwan Physicians Receive Training in Fujian**  
*OW0209154288 Fuzhou Fujian Provincial Service  
in Mandarin 1000 GMT 31 Aug 88*

[Text] Seven traditional Chinese medicine practitioners in Taiwan arrived in Xiamen recently to attend a traditional Chinese medicine class for Taiwan compatriots which is sponsored by the China Xiamen International Center for Training and Interchange of Traditional Chinese Medicine Personnel. The seven physicians came from various medical institutes in Taiwan, and most of them have had many years of experience in traditional Chinese medicine. The sponsor of the class has chosen a number of well-known veteran traditional Chinese medicine doctors to lecture them, and, based on their fields of specialization, arranged study programs for them at the acupuncture, orthopedics, hemorrhoids, and herbal medicine departments of the Xiamen City Institute of Traditional Chinese Medicine.

**Fujian Symposium Held**  
*OW0609180988 Beijing XINHUA in English  
1356 GMT 6 Sep 88*

[Text] Xiamen, September 6 (XINHUA)—For the first time Taiwan doctors have been invited to attend a Chinese medicine symposium that will be held later this year in Xiamen in southeast China's Fujian Province.

The symposium is being sponsored by the "Xiamen-Taiwan Chinese Medicine Doctors Union."

The union was set up by the Xiamen International Chinese Medicine Training center, which opened in August to train Taiwan Chinese medicine doctors.

Residents of Xiamen and Taiwan share not only many local customs but many diseases as well. Doctors have much in common in treating the diseases.

The union has a branch office in Taipei to help enroll Taiwan students for the training center.

**Taiwan Express Parcel Mail to Mainland Reported**  
*OW0509121988 Beijing XINHUA Domestic Service  
in Chinese 0010 GMT 4 Sep 88*

[Excerpts] Beijing, 4 Sep (XINHUA)—Special Column: Taiwan Today [passage omitted]

**Taiwan Express Delivery Begins Parcel Mail to Mainland [subhead]**

Express delivery business in Taiwan recently started express parcel mail to the mainland.

Under the Taiwan authorities' policy of allowing correspondence but no direct mail link with the mainland, the people on Taiwan may send letters, but no parcels, to the mainland. Therefore, Taiwan's express delivery business has started parcel service by sending parcels first to Hong Kong and then mailing them to various parts in the mainland.

Taiwan's express delivery business has also played an important role in the economic activities between the two sides of the Taiwan Strait, transporting commercial papers or samples for companies from Taiwan to the mainland through Hong Kong.

The parcels or commercial papers to the mainland are brought by special courier on plane to Hong Kong where they are mailed to the mainland in the evening or the next day. The mainland address is not directly written on the letters or parcels sent from Taiwan and, therefore, can easily pass the inspection of Taiwan's customs. [passage omitted]

**Kuomintang Body Proposes Open Mainland Policy**  
*OW0609171188 Taipei CNA in English*  
1605 GMT 6 Sep 88

[Text] Taipei, Sept. 6 (CNA)— An organ of the ruling Kuomintang [KMT] has proposed that the Republic of China [ROC] adopt a more open policy towards the Chinese mainland and allow more local residents, including low-level government employees and reporters, to visit the mainland, KMT sources said Tuesday.

The proposals, included in a draft mainland policy prepared by the mainland operations department of KMT Central Committee, will be discussed by the party's policy-making Central Standing Committee in its weekly meeting Wednesday. The proposals are expected to become guidelines for the government to follow if they are approved by the committee.

The KMT sources said the proposals, which cover a wide range of political, economic, social and cultural issues, called for easing restrictions on the visits of local residents to the mainland but recommends that tight controls on the visits of mainland people to the ROC should be retained.

The draft mainland policy suggested that the current policy on family reunion visits to the mainland by local residents be further eased so that low-level government employees and people's representatives can also visit their relatives on the mainland, the sources said.

Moreover, reporters would be allowed to cover news on the mainland and local athletes, scholars and others would be permitted to attend sports events, academic meetings and other gatherings on the mainland sponsored by international organizations of which the nation is a member, the draft was quoted as saying.

In economics, the draft suggested that Chinese people on Taiwan and Overseas Chinese around the world make concerted efforts to stimulate an accelerated economic liberalization of the mainland, according to the KMT sources.

If the draft mainland policy is accepted and put into effect, they said, the ROC's mainland policy is expected to become clearer and more activity. [as received]

Meanwhile, the Interior Ministry's Bureau of Entry and Exit reported Tuesday that between Nov. 2, 1987 the day the government officially lifted the ban on mainland visits, and the end of August, 1988, the bureau had approved the applications of 226,524 people to visit their relatives on the mainland.

The number is expected to increase further if the government allows local residents to worship and sweep the tombs of their ancestors on the mainland, the bureau said.

**Home-Designed Jet Fighter to 'Take Shape'**  
*OW0609084688 Taipei CNA in English 0230 GMT*  
6 Sep 88

[Text] Taipei, Sept. 6 (CNA)— The prototype of the indigenous defense fighter, the first Republic of China-designed jet fighter, will take shape at the end of 1988, the Cabinet said Monday in its written administration report to the Legislative Yuan.

The Sky Sword air-to-air missiles have been modified as surface-to-air weapons, which, able to be launched from warships and land bases, can replace the U.S.-made Chaparral and Sea Chaparral missiles, the Cabinet said.

The Cabinet said the number of the military in service has been cut after years of efforts, but that the combat readiness of the 3.7 million reserved forces has been strengthened significantly by having their data computerized.

The Ministry of National Defense, the Cabinet said, still gives its top priority to air and marine weapons in modernizing weaponry systems. During the first half of this year, for instance, the Ministry has bought from other countries B-1900 [as received] transportation planes, F-104 jet fighters, TF-104 trainers, and a Dutch-built submarine.

**Malaysian Trade Mission Arrives for Visit**  
*OW0309045188 Taipei CNA in English 0351 GMT*  
3 Sep 88

[Text] Taipei, Sept. 3 (CNA)—A large trade and investment mission from Malaysia, led by Minister of Trade and Industry Ms. Datin Paduka Rafidah, arrived in Taipei Friday for a week-long visit.

Composed of more than 80 Malaysian officials and manufacturers, the mission is the largest of its kind in recent years to visit the Republic of China [ROC].

The mission includes chief ministers of the states of Sabah, Penang, Johore, and Kedah, and the director general of the Malaysian Industrial Development Authority (MIDA).

In addition to visiting ROC officials, the Malaysian trade mission will hold two investment seminars on Sept. 5 and 6 to introduce the investment environment in Malaysia and regulations governing investments by foreign traders.



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